

**Town of
North Andover,
Massachusetts
2015 Annual Report**

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North Andover Service Listings

Our Town

INCORPORATED

April 7, 1855

SITUATION

About 24 miles north of Boston

Latitude 42°40"

Longitude 71°7"

COUNTY

Essex

POPULATION

30,242

AREA

Approximately 26.63 square miles

ELEVATION

91 feet .847 inches above sea level at Town Building

TOWN HALL

Built in 1925

SENATORS IN CONGRESS

Edward Markey (617) 565-8519

Elizabeth Warren (617) 565-3170

REPRESENTATIVE IN CONGRESS

Seth Moulton (978) 531-1669

STATE REPRESENTATIVES

14th Essex—Precincts 1, 2, 3, 4, and 5

Diana DiZoglio (617) 722-2060

18th Essex—Precincts 6, 7, and 8

James J. Lyons Jr. (617) 722-2014

STATE SENATORS

1st Essex Precincts 1, 2, 3, and 4

Kathleen O'Connor Ives (617) 722-1604

1st Essex and Middlesex Precincts 5, 6, 7, and 8

Bruce E. Tarr (617) 722-1600

ASSESSED VALUATION

Real Estate Only

\$4,338,194,425

Personal Property

\$120,842,040

Total

\$4,459,036,465

TAX RATE

For the period from July 1, 2014–June 30, 2015

Residential \$14.27, Commercial \$20.47

TAX BILLS

Tax bills are paid quarterly. Payments are due on August 1, November 1, February 1, and May 1. If unpaid by due date, interest will be added according to law from the date due to the date payment is made. Motor Vehicle Excise is due thirty days from date of issuance. Water bills are issued quarterly and are due 30 days from date of issuance.

ANNUAL TOWN ELECTION

Last Tuesday in March

TOWN MEETING

Open Town Meeting

Meets in May

PRECINCT VOTING LOCATIONS*

All precincts vote at North Andover High School,
430 Osgood St.

Polls open 7:00 a.m. until 8:00 p.m.

Call Town Clerk's Office at (978) 688-9501 for information.

Town of North Andover Web Site

www.northandoverma.gov

*Polling locations subject to change.

Town Offices

FIRE DEPARTMENT

795 Chickering Road
Emergency: 911
PHONE: (978) 688-9590
FAX: (978) 688-9594
BUSINESS HOURS: Mon., Wed, Thurs. 1:00–4:30
Tues. 8:00–6:00
Fri. 8:00–Noon

POLICE DEPARTMENT

1475 Osgood Street
Emergency: 911
PHONE: (978) 683-3168
FAX: (978) 681-1172
TTY: (978) 683-3168
HOURS: 24 hours a day

ANIMAL CONTROL

PHONE: (978) 683-3168

PUBLIC LIBRARY

345 Main Street
PHONE: (978) 688-9505
FAX: (978) 688-9507
HOURS: Please call for hours

PUBLIC WORKS

384 Osgood Street
PHONE: (978) 685-0950
FAX: (978) 688-9573
HOURS: Mon., Wed, Thurs. 8:00–4:30
Tues. 8:00–6:00
Fri. 8:00–Noon

SENIOR CENTER

120R Main Street
PHONE: (978) 688-9560
FAX: (978) 688-9563
HOURS: Call for Hours

TOWN MANAGER

120 Main Street
PHONE: (978) 688-9510
FAX: (978) 688-9556

TOWN CLERK

120 Main Street
PHONE: (978) 688-9500
FAX: (978) 688-9557
HOURS: Mon., Wed, Thurs. 8:00–4:30
Tues. 8:00–6:00
Fri. 8:00–Noon
Call for Passport Hours

SCHOOL ADMINISTRATION

566 Main Street
PHONE: (978) 794-1503
FAX: (978) 794-0231
HOURS: 8:00–4:30

North Andover High School

430 Osgood Street
(978) 794-1711

North Andover Middle School

495 Main Street
(978) 794-1870

Atkinson Elementary School

111 Phillips Brook Road
(978) 794-0124

Franklin Elementary School

2 Cypress Terrace
(978) 794-1990

Kittredge Elementary School

601 Main Street
(978) 794-1688

Sargent Elementary School

300 Abbott Street
(978) 794-3673

Thomson Elementary School

266 Waverly Road
(978) 794-1545

TOWN ACCOUNTANT

120 Main St.
PHONE: (978) 688-9520
FAX: (978) 688-9522.
Municipal Budgeting
Municipal Financial Reporting
State & Federal Reporting
Accounts Payable
Payroll

ASSESSORS

120 Main Street
PHONE: (978) 688-9566
FAX: (978) 688-9556
Exemption Applications
Motor Vehicle Excise Questions
Property Assessments
Tax Rate Information

BOARD OF HEALTH

1600 Osgood Street
PHONE: (978) 688-9540
Communicable Diseases Info/Surveillance
Environmental Health Concerns
Food Establishment Permits/Complaints
Food Sanitation Training Programs
Health Screening: Blood Pressure, TB
Home Visits
Housing: Requirements for safe and sanitary housing
Influenza
Nuisance and Sanitation Complaints
Public Swimming Pool Permits
Rabies Vaccination Clinics: Dogs and Cats
Recreational Camp Permits
Subsurface Sewage Disposal: Permits and
Information on Location
Tanning & Massage Est. Permits
Tobacco Control Program
Vaccine Depot
Well Drilling Permits

BUILDING DEPARTMENT

1600 Osgood Street
PHONE: (978) 688-9545
ADA Coordinator
Building Permits
Building Information
Demolition Permits
Fireplace & Chimney Permits
Gas Permits
Masonry Permits
Occupancy Permits
Plumbing Permits
Relocating Structure Permits
Replacement Door Permits
Replacement Window Permits
Roofing Permits
Sealer of Weight and Measures
Sign Permits
Swimming Pool Permits
Tent Permits
Vinyl Siding Permits
Woodstove Permits
Zoning By-Law Enforcement/Questions

COMMISSION ON DISABILITIES

American Disabilities Act Coordinator

CONSERVATION COMMISSION

1600 Osgood Street
PHONE: (978) 688-9530
Wetlands Information

COUNCIL ON AGING-SENIOR CENTER

120R Main Street

PHONE: (978) 688-9560

Alzheimer's Identification/Intervention Program
Assistance Programs
Blood Pressure Clinics
Choral Group
Discussion Group
Educational Programs
Elders at Risk
Fitness Programs
Free Pamphlets
Friendly Visitor Program
Fund-Raising
Handicapped Accessible
Health Care Proxy
Health Screenings
Home Care Services
Homestead Act
Immunization Programs
Income Tax Assistance
Informational and Referral
Lectures
Lending Library
Lunch Program
Magazines and Newspapers
Meals on Wheels
Memorials
Monthly Parties
Newsletter
Outreach
Recreational Programs
Senior/Disabled Tax Relief Program
SHINE (Serving Health Insurance Needs for Elders)
Telephone Reassurance Program
Transportation Programs: Medical & Grocery
Shopping Volunteer Opportunities
Weight Maintenance Program
Widows/Widowers Support Group

EMERGENCY MANAGEMENT SERVICES

PHONE: (978) 688-4904

Auxiliary Police
Disaster Services
Evacuation Coordination Services
Liaison for State and Federal Agencies
Local Emergency Planning Committee
Radio Communication Capability with Local,
State and Federal Agencies

EMERGENCY MEDICAL SERVICES

PHONE: 911

FIRE DEPARTMENT

795 Chickering Road

PHONE: Emergency 911

Non-Emergency (978) 688-9590

Blasting Permits
Burning Permits 1/15-5/1
Fire Prevention
Fire Inspection - Smoke Detectors
Flammable Liquids/LP Gas Permits
Oil Heat Appliance Installation
Sprinkler Fire Alarm Plan Review
Sprinkler Installation
Underground Fuel Tank Installation/Removal
Permits

LIBRARY

345 Main Street

PHONE: (978) 688-9505

FAX: (978) 688-9507

Anne Bradstreet Collection
Book Discussion Series
Books
Books on Tapes
Boston Globe on CD-ROM
Camcorder
Cassette Players
Computers (PC and Mac)
Conference Room
Dial-Up Access
Exhibits
Friends of Stevens Memorial Library
Genealogy and Local History
Handicapped Accessible
Inter-Library Loan
Language Tapes
Large Print Books
Magazines and Newspapers
Meeting Room
Merrimack Valley Library Consortium Member
Museum Passes
Music CDs
On-line Periodical Database
Original Art for Loan
Phonedisc
Photocopies (reduce and enlarge)
Records
Rental Books
Reference Services
Special Programs for Adults and Young Adults
Storyhours/Children's Programs
Talking Books for the Blind
Tax Forms
Television with Cable TV Hook-up
Videos

PARKING CLERK

120 Main Street
PHONE: (978) 688-9550
Parking Ticket Information/Payment

PERSONNEL

Town Hall
120 Main Street
PHONE: (978) 688-9526
Town Employment Opportunities

PLANNING

1600 Osgood Street
PHONE: (978) 688-9535
Flood Maps
Planning Board Agendas
Site Plan Review
Subdivision Plans
Zoning By-Law
Zoning Map Information

POLICE DEPARTMENT

1475 Osgood Street
PHONE: Emergency 911
Non-Emergency (978) 683-3168
FAX: (978) 681-1172
TTY: (978) 683-3168
Adult Police Academy
Alcohol Server Training Information
Animal Control
Auction Permits
Bicycle Helmet Sales
Bicycle Registration
Burial Permits (Non-Business Hours)
Business Security Surveys
Car Seat Loan Program
Child Identification Program
Citizen Advisory Council
Community Policing
Crime Watch
D.A.R.E. Program
Detective Hot Line
Firearm Permits
School Safety Questions
Student Police Academy
Town Emergencies (Non-Business Hours)
Traffic Control and Safety Issues

PUBLIC WORKS

384 Osgood Street
PHONE: (978) 685-0950
EMERGENCY (Non-Business Hours): (978) 683-3168
FAX: (978) 688-9573
HOURS: Mon., Wed, Thurs. 8:00–4:30
Tues. 8:00–6:00
Fri. 8:00–Noon
Field and Park Maintenance
Boat and Fishing Permits - Lake Cochichewick
Pothole and Road Hazard Repairs
Public Tree Issues
Recycling Permits
Sewer Connections
Sewer Blockages
Snow Removal Regulations
Street/Sidewalk Resurfacing Info.
Trash & Recycling Collection Info.
Water Connections
Water Leaks
Water Main Replacement
Water Meters
Watershed Information

RECREATION

PHONE: (978) 682-9000
Arts in the Parks/Children's Theatre
Band Concerts
Boys Basketball
Field/Park Administration
Field/Playground Permits
Field Trips
Girls Basketball
Girls Softball
Indoor/Outdoor Skating Information
Parent Guide to Children's Resources.
Playground Areas
Program Information/Registration
Seasonal Employment/Volunteer Opportunities
Sports Organization Information
Tennis Court Passes
Women's Softball

SCHOOL ADMINISTRATION—

SUPERINTENDENT'S OFFICE

566 Main Street

PHONE: (978) 794-1503

FAX: (978) 794-0231

Art: K-12

Athletics (794-3144)

Community Schools Program (978-794-3080)

Day Care Programs

Breakfast Club

Extended Kindergarten

KidStop!

EXCEL Enrichment Program

High School SAT Prep

High School Driver Education

Men's Basketball

Summer School

Academic Remediation

Camps

Technology Training

Computers: K-12 (978-794-3144)

Continuing Education (978-794-1711)

English as a Second Language

Literary Publications

Music: K-12

Physical Education: K-12 (978-794-3144)

Special Education: Pre-School-12 (978-794-1717)

SCHOOL CLOSINGS

When weather conditions cause schools to be closed or to delay their openings, PLEASE DO NOT CALL THE SCHOOL DEPARTMENT, POLICE DEPARTMENT, OR FIRE DEPARTMENT.

Announcements are made on GOVERNMENT ACCESS CHANNEL 22, local television stations (WBZ—Channel 4, WCVB—Channel 5, WHDH—Channel 7) and radio stations (WBZ AM, WRKO AM, WBMX FM, WCCM AM, WLLH AM WHAV AM).

SELECTMEN'S OFFICE

Town Hall, Second Floor

PHONE: (978) 688-9510

Appointments—Boards/Commissions

Selectmen's Meeting Agendas

Utilities Hearings

STEVENS ESTATE AT OSGOOD HILL

723 Osgood St.

PHONE: (978) 682-7072

Facility Rental Information

TOWN CLERK

Town Hall, Main Floor

PHONE: (978) 688-9500—General Information

(978) 688-9501—Town Clerk

Absentee Ballots

Alcoholic Liquor License

Appointed Committee Listing

Automatic Amusement Device License

Birth Certificates

Bowling Alley/Billiard License

Business Certificates

Census Information/Jury List

Certification of Petitions

Class I—Dealer License

Class II—Used Cars License

Class III—Junk Dealer License

Common Victualler License

Coordinates Annual Town Report

Death Certificates

Dog License—due January 1

Elected Officials Current Listing

Entertainment License

Fishing and Hunting License

Justice of the Peace

Marriage License

Massachusetts Income Tax Forms

Nomination Papers

Notary Public

Passports

Raffle Permits

Residential Street Listing

Voter Registration

TREASURER/TAX COLLECTOR

Town Hall, Main Floor

PHONE: (978) 688-9550

Betterments

Motor Vehicle Excise Tax Payments

Municipal Lien Certificates

Parking Ticket Payments

Real Estate Information/Payments

Water/Sewer Bill Payments

VETERANS' SERVICES

Town Hall

PHONE: (978) 688-9552

All Veteran Benefits

Discharge Papers Recorded

Flags and Holders for Graves

Headstones and Grave Markers

Veterans' Assistance

YOUTH AND RECREATION SERVICES

33 Johnson St.

PHONE: (978) 682-9000/688-9515

EMERGENCY BEEPER: (508) 387-4919

WEB SITE: www.nayouth.com

Crisis Intervention

Information and Referral

Social Programs

Recreation Programs

Juvenile Court Services

Support Services

Student-Run Services

Adventure Programs

Ropes Course

Clothes Closet

Summer Programs

Job Bank

Peer Mediation

Joseph N. Hermann Youth Center

Prevention Programs

24-Hour Emergenc Response

Attendance Officer

Holiday Giving Program

Parenting Programs

Family Services

Youth Concert Series

Recreation and Use of Fields

Stevens Pond

Town Officers and Committees Officials and Term Expiration Dates

AFFORDABLE HOUSING TRUST, BOARD OF TRUSTEES²

George Koehler, Chairperson	2016
Stephen L. Bernard	2017
Robert Bernardin	2016
Joan Fitzgibbons	2017
Roger B. Lawson, Jr.	2017
Laurie A. Burzlaff	2017
Tracy M. Watson	2016

ASSESSORS, BOARD OF³

David J. Minicucci, Chairperson	2016
George R. Barker, Jr.	2016
Bryan Perry	2016
Garrett Boles, Chief Assessor	

AUDIT COMMITTEE

Richard Vaillancourt, Chairperson ²	2016
Robert Ercolini ²	2016
Vidya Iyer ²	2016
David Torrisi	2016
Karin Rhoton ²	2016

CABLE TV ADVISORY COMMITTEE²

Ronn R. Faigen	2017
Arthur S. Fundeklian	2016
Chanida Oros	2018
Robert S. Parker	2017
Paul Blinn	2018
Raymond DeRise	2016

COMMISSION ON DISABILITY ISSUES²

Terry J. Brown	2016
Susan Christensen	2017
Nancy D. Murphy	2018
Donald B. Stewart	2018
Darcy Rubino	2016
Phyllis A. Jones	2018

COMMUNITY ACCESS & MEDIA, BOARD OF DIRECTORS

Stephen J. D'Onofrio, President ²	2016
Steven Ventre, Treasurer	n/a
Randall Hart	n/a
Peter Baylies	n/a
Michael Grant ⁶ , Secretary	n/a
Brian Fraser, Executive Director	

COMMUNITY AND ECONOMIC DEVELOPMENT³

Eric Kfoury, Division Director

COMMUNITY PRESERVATION COMMITTEE

John Simons, Chair (Planning Bd. Appt.)	2016
Alberto Angles, Jr. ²	2017
Albert Fowler ²	2018
Deborah A. Feltovic	2016
(Cons. Comm. Appt.)	
Charles Gangi	2016
(Historical Comm. Appt.)	
Terrence Holland	2017
(Youth & Recreation Council Appt.)	
Bradford B. Wakeman ²	2016
William Gordon ²	2017

CONSERVATION COMMISSION²

Louis Napoli, Chairperson	2017
Deborah A. Feltovic	2018
Joseph W. Lynch, Jr.	2016
John Mabon	2016
Albert P. Manzi, Jr.	2017
Sean F. McDonough	2018
Douglas Saal	2016
Jennifer A. Hughes,	
Conservation Administrator	

CONSTABLES²

Ronald E. Bertheim	2016
Richard D. Cain, Jr.	2018
Ronald Pollone	2017

¹ Elected Official

² Appointed by Selectmen

³ Appointed by Town Manager

⁴ Appointed by Town Moderator

⁵ Appointed by School Committee

⁶ Appointed by School Superintendent

⁷ Replacement by Vote of Remaining Members

COUNCIL ON AGING²

Elizabeth A. Poirier, Chairperson	2016
Maria V. Rosati	2018
Peter Aziz	2017
William P. Callahan	2016
Pricilla Cole	2016
Dorothy Consiglio	2017
John Gilboard	2018
John W. Graham	2017
Patricia A. Long	2017
Joseph Sergi	2017
Margaret V. Shaheen	2016
Irene M. O'Brien, Director, Elder Services	

CULTURAL COUNCIL²

Linda Ann MacDonald, Chairperson	2016
Helena Minton	2017
Carmen Santiago	2016
Jennifer Recklet Tassi	2016
Karin Valliere-Moscetto	2018
Diane Hinckley	2017
William Sparks	2018

ELDERLY/DISABLED TAXATION FUND

David Minicucci	2017
Muriel Katschker	2017
Richard Gramly	2017
Lauren Lemack	2017

EMERGENCY MANAGEMENT AGENCY²

Jeffrey J. Coco, Director	2016
John P. Savastano, Deputy Director	2016
Paul Gallagher, Co-Dep. Director, Police Dept. Liaison	2016
William McCarthy, Co-Dep. Director, Fire Dept. Liaison	2016
Connor Lincoln, Senior Operations Officer	2016
Frank Dushame, Operations Division	2016
Neil Hamel, Operations Division	2016
Carl Langlois, Operations Division	2016
William M. Hastings, RACES Sr. Communications Officer	2016
Timothy McDonald, RACES Communicator	2016
Steven Tessler, RACES Communicator	2016
Michael J. Xenakis	2016

FESTIVAL COMMITTEE²

Jeff Coco, Co-Chairperson	2016
Joan Heafey, Co-Chairperson	2016
Sharon Coco	2016
William Dolan	2016
James Fazio	2016
E.J. Foulds	2016
Neil Hamel	2016
Genevieve Koenig	2016
Conner Lincoln	2016
William Murphy	2016
Pristene Pazzanese	2016
Philip Pelletier	2016
Martha Salisbury	2016
Chanidra Oros	2016
Suzanne Fischer	2016
Robert Leonard	2016

FINANCE COMMITTEE⁴

William Callahan, Chairperson	2016
Karen Blake	2016
Liz Gerron	2016
Susan Almono	2016
Chris Nobile	2017
Thomas Ringler	2017
Jennifer Goldman	2016
Tim Tschirhart	2016
Donald Elliot	2017

FIRE CHIEF²

William McCarthy

FINANCE DIRECTOR/TOWN ACCOUNTANT²

Lyne M. Savage	2018
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GREATER LAWRENCE COMMUNITY ACTION COUNCIL²

Jonathan Pearlson	2018
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GREATER LAWRENCE REGIONAL TECHNICAL HIGH SCHOOL DISTRICT COMMITTEE REPRESENTATIVE¹

Frank A. Rossi	2017
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¹ Elected Official

² Appointed by Selectmen

³ Appointed by Town Manager

⁴ Appointed by Town Moderator

⁵ Appointed by School Committee

⁶ Appointed by School Superintendent

⁷ Replacement by Vote of Remaining Members

**GREATER LAWRENCE SANITARY
DISTRICT REPRESENTATIVE²**

William Gordon 2018

BOARD OF HEALTH³

Thomas Trowbridge, DDS, MD, 2016
Chairperson

Larry F. Fixler 2017

Francis P. MacMillan, Jr., MD 2017

Joseph McCarthy 2016

Edwin C. Pease 2018

Francis P. MacMillan, MD,
Public Health Physician

Brain LaGrasse, Public Health Director

Michele Grant, Public Health Inspector

Debra Rillahan, R.N., Public Health Nurse

HARBOR MASTER

Peter Boynton 2016

HISTORICAL COMMISSION²

Kathleen Szyska, Chairperson 2018

Anne Erickson 2016

Charles Gangi 2016

Patricia Long 2018

James F. Wefers 2017

Janice Williams 2017

Nicholas Pelletier 2016

HOUSING AUTHORITY¹

Francis McCarty 2021

Edward Capodilupo 2020

Stephen Long 2017

Mary Beth Soucy 2018

Madeleine Sutcliffe, State Appointee 2016

Cathy Hoog, Executive Director

HUMAN RESOURCES³

Cathy J. Darby, Director

INSPECTORS³

Gerry Brown, Inspector of Buildings &
Zoning Enforcement Officer

Stephen C. Galinsky,

Plumbing & Gas Inspector

Allan Paduchowski, Electrical Inspector

R. David Lindsay, DVM, 2016

Animal Inspector

LICENSING COMMISSIONERS

Tracy Watson, Chairperson 2017

Phil DeCologero 2018

Donald B. Stewart 2017

Richard M. Vaillancourt 2018

Rosemary Connelly Smedile 2019

**MACHINE SHOP VILLAGE
NEIGHBORHOOD CONSERVATION
DISTRICT COMMISSION²**

Liz Fennessy, Chairperson 2017

Harry Aznoian 2018

Philip L. Pelletier 2016

Lauretta Wentworth 2016

Janice Williams 2018

Matthew Rock 2018

Jerry Wilson 2017

**MERRIMACK VALLEY PLANNING
COMMISSION**

Richard J. Byers (Appt. by Planning Bd.)

**OLD CENTER HISTORIC DISTRICT
COMMISSION²**

George Schruender, Chairperson 2018

Harry Aznoian 2017

Leslie M. Frazier 2016

Shepard Spear 2017

Martha Larson 2018

Michael Lenihan 2017

Kathleen Szyska 2016

Roger D. Lawson, Jr. 2018

David M. Mermelstein 2016

¹ Elected Official

² Appointed by Selectmen

³ Appointed by Town Manager

⁴ Appointed by Town Moderator

⁵ Appointed by School Committee

⁶ Appointed by School Superintendent

⁷ Replacement by Vote of Remaining Members

PATRIOTIC OBSERVANCE & MARCHING COMMITTEE

Ted Tripp, Chairperson	2016
Paul Gangi	2016
Rev. Richard Knight	2016
Daniel P. Lanen	2016
Joe Edward Smith	2016
Domenic Terranova	2016
Matt Twiss	2016
Lynn Spilatore	2016
Adele Johnson	2016
Ann Armitage	2016
Muriel Katschker	2016
Adam Magaletta	2016
Gerry Maguire, Veterans Director	2016

PLANNING BOARD³

John Simons, Chairperson	2018
David R. Kellogg	2016
Lora McSherry	2018
Peter Boynton	2017
Lynne Rudnicki,	2017
Regina Kean, Associate	2017

POET LAUREATE²

Karen M. Kline	2016
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POET LAUREATE COMMITTEE²

Marina Salenikas, Chairperson	2017
Jill Barker	2018
Kristen Hollenbeck	2018
Blair Woodman	2016
Helena Minton	2016
Mark Bohrer	2018
Kathleen Keenan, Library Director, Ex Officio	

POLICE CHIEF²

Paul Gallagher

PUBLIC WORKS³

Bruce D. Thibodeau, Director

PURCHASING DIRECTOR³

Raymond Santilli

REGISTRAR OF VOTERS, BOARD²

Martha Salisbury, Chairperson	2017
Carrie Crouch	2016
Linda McCue	2018
Joyce A. Bradshaw, Town Clerk, Ex Officio	

SCHOOL BUILDING COMMITTEE

Stanley B. Limpert, Chairperson ⁵
Jordan Burgess ⁵
Jay Burke ⁴
Eva Hamori ⁴
Dan Ryan ⁵
Maureen Walsh Sakakeeny ⁴
Thomas Zahoruiko ⁴

SCHOOL COMMITTEE¹

Andrew P. McDevitt	2018
Brian D. Gross, Chairman	2017
Stanley B. Limpert	2017
David Torrisi	2018
Amy Mabley	2019

SCHOOL SUPERINTENDENT⁵

Dr. Jennifer Price

SELECTMEN, BOARD OF¹

Richard Vaillancourt	2018
Rosemary Connelly Smedile	2019
Donald B. Stewart	2017
Tracy M. Watson, Chairman	2017
Phil DeCologero	2018

STEVENS ESTATE, BOARD OF TRUSTEES²

Kevin J. Willoe, Chairperson	2016
William V. Dolan	2018
Eric P. Frahllich	2017
E. William Hanson	2017
Nicole Pelletier	2018
David Boudreau	2017
Jonathan Albano	2016

STEVENS MEMORIAL LIBRARY, BOARD OF TRUSTEES⁷

Maria G. Mesinger
Ann Cavanaugh
William Duffy, Jr.
Eva Hamori, Chairman
E. William Hansen
Peter Lafond
Stan Limpert
Kathleen Keenan, Library Director

¹ Elected Official

² Appointed by Selectmen

³ Appointed by Town Manager

⁴ Appointed by Town Moderator

⁵ Appointed by School Committee

⁶ Appointed by School Superintendent

⁷ Replacement by Vote of Remaining Members

SUSTAINABILITY COMMITTEE²

Raymond Geraneo	2018
Susan Almono	2016
Shoba Donti	2016
Michael Carney	2016
Robert Rafferty	2016
Brian Sheckman	2018
Katie Champagne	2016
Shepard Spear	2016
Allyson Poole	2018
Diana Perkel	2018
James Lally	2018
Andrew Mitchell	2017
Bruce D. Thibodeau, Public Works Director, Ex Officio	

TOWN CLERK³

Joyce A. Bradshaw

TOWN COUNCIL²

Urbelis & Fieldsteel, LLP

TOWN MANAGER²

Andrew W. Maylor

TOWN MODERATOR¹

Mark S. DiSalvo 2018

TREASURER COLLECTOR³

Brian Conway

VETERANS' SERVICES²

Gerry Maguire, Director	2018
Neil Patnaude, Graves Officer	2017

WINDRUSH FARMS STEERING COMMITTEE

Rosemary Connelly Smedile, Chairperson ^{2/}	2016
Jennifer Hughes ²	2016
John Mabon ²	2016
Josselyn Shaunessey (Appt. by Lic. Bd. of Directors)	
Amanda Hogan (Appt. by Lic. Bd. of Directors)	

YOUTH & RECREATION COUNCIL²

Thomas Cieslewski, Chairperson	2016
Peter Breen	2018
Sandra L. Goldstein Savoie	2016
John D. Lennhoff	2017
Maureen Ferris	2018
Hollie Williams	2017
Andrew Firmin	2017
Kevin Driscoll	2016
Terry Holland	2018
Rick Gorman, Executive Director	

ZONING BOARD OF APPEALS²

Albert P. Manzi, III, Chairperson	2018
Alan E. Cuscia	2017
D. Paul Koch, Jr.	2016
Ellen P. McIntyre	2016
Douglas Ludgin	2018
Alexandria Jacobs, Associate	2018
Denny Morganthal, Associate	2017
Nathan Weinreich, Associate	2018

¹ Elected Official

² Appointed by Selectmen

³ Appointed by Town Manager

⁴ Appointed by Town Moderator

⁵ Appointed by School Committee

⁶ Appointed by School Superintendent

⁷ Replacement by Vote of Remaining Members

Board of Selectmen and Town Manager

Tracy M. Watson, Chairman
Philip DeCologero, Clerk
Rosemary Connelly Smedile
Donald B. Stewart
Richard M. Vaillancourt, Chairman of
the Licensing Commission

Andrew W. Maylor, Town Manager

In North Andover several years ago we had a highly reflective moment and decided that we must find a way to remove the distractions that so often get in the way of our ability to achieve more. We embraced the idea that regardless of the role you're in, the first step in effective public leadership is setting the agenda or what we call the PLAN. Effective leaders create an agenda for change with two major elements: 1) a vision balancing the long-term interest of key parties, what we refer to as SUSTAINABILITY and 2) A strategy for achieving that SUSTAINABILITY.

The result of our commitment to our PLAN for SUSTAINABILITY has been in so many ways transformative. This past year has been a continuation of the previous three from an accomplishment perspective. This is largely due to an agreement by the major players that we accomplish more as a team than as competing parties.

The Board and the Town Manager would like to take this opportunity to express their sincere appreciation to all those individuals who have taken time away from their families and friends to serve on the many committees, commissions and boards that are the life-blood of the Town. The Board and the Town Manager are grateful for the depth of experience and talent that each individual brings to these committees.

The following pages contain excerpts from the approved minutes from various Selectmen's meetings held during calendar year 2015. These minutes are not intended to provide the reader with a comprehensive list of all business before the Board during 2015, but instead are intended to provide an overview of the issues addressed by the Board and the Town Manager, and various votes taken by the Board. Please note that the format of the minutes may have been changed for presentation purposes and should not be construed as the official record of said meetings.

JANUARY 2015

Government Finance Officers Association Distinguished Budget Presentation Award
Town Manager, Andrew Maylor, announced the Town of North Andover was awarded the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award, the highest form of recognition in governmental budgeting. Mr. Maylor explained the GFOA format which the town adopted a couple of years ago and acknowledged the great work of Finance Director/Town Accountant, Lyne Savage. Mr. Maylor stated that 15-17 government entities receive this award out of the approximately 400 that are eligible to receive it. The Board congratulated Ms. Savage and her staff.

Appointment of Veterans' Graves Officer—Neil Patnaude
Clerk, William Gordon, read a letter from Chief Edward V. Mitchell indicating Veteran's Graves Officer Philip P. Pelletier has resigned and he is recommending appointment of Army Veteran Neil Patnaude as North Andover's Veterans' Graves Officer. The Board thanked Philip Pelletier for his valuable service.

William Gordon made a MOTION, seconded by Tracy Watson, that the Board of Selectmen appoint Neil Patnaude as Veterans' Graves Officer for a term ending June 30, 2017. Vote approved 4-0.

Town Manager's Annual Evaluation

Chairman Vaillancourt presented the Board's annual evaluation of the Town Manager. Chair Vaillancourt indicated Mr. Maylor received a rating of 19.3 out of 20 and indicated the evaluation reflects the confidence the Board has in Mr. Maylor's ability to lead the town. Chairman Vaillancourt said the evaluation document will be posted on the Town's website. Tracy Watson indicated she was proud to be on the hiring committee and everyday Mr. Maylor proves he was the right choice. William Gordon praised the Town Manager for doing a good job. Rosemary Smedile praised Mr. Maylor for his ability to have a plan and follow through on it. Mrs. Smedile indicated that goals are being met and the future is bright. Mr. Maylor stated it is his pleasure to work in North Andover and he appreciates the support of the Board and the trust they have given him. William Gordon made a MOTION, seconded by Rosemary Smedile, that the Board of Selectmen approve Town Manager Andrew Maylor's annual performance evaluation. Vote approved 4-0.

FEBRUARY 2015

2015 Entertainment License for Smolak Farms

John Smolak, attorney for Smolak Farms, reviewed the Accoustical Report prepared by Cavanaugh Tocci Associates, Inc., which was provided to the Board prior to the meeting. Attorney Smolak distributed a "Loudness Comparison Chart (dBA)" which outlined decibel levels for various activities. Attorney Smolak explained that they are installing a speaker system to regulate sound and Cavanaugh Tocci will measure sound levels for the first two events to make sure the system is working properly. Selectman Gordon, while appreciating the steps being taken by Mr. Smolak, expressed his concern about it being louder at higher elevations and asked that the sound levels be measured at the neighbor's property from a second floor window with a handheld device. The Board expressed concern of making approval contingent upon entering upon a neighbor's property. The Board asked Mr. Smolak to come back in front of the Board to give an update of the testing results. William Gordon made a MOTION, seconded by Richard Vaillancourt, that the Board of Selectmen, acting as Licensing Commissioners, approve an entertainment license for 2015 for the period of May 2015 through October 2015 for Smolak Farms located at 315 South Bradford Street, with the following conditions: The hours of operation, as provided by the applicant, Monday thru Thursday between 12:00 p.m. and 7:00 p.m., Friday and Saturday between 12:00 p.m. and 10:00 p.m., and Sunday between 12:00 p.m. and 9:00 p.m., except on Sundays preceding a Monday state or federal holiday, in which case, the Sunday closing hour is extended to 10:00 p.m., further conditions are those provided in the January 22, 2015 letter from Attorney Smolak and conditions set forth therein with the one modification under Section 4 to include the testing with a decibel meter at the property lines of the 5 neighbors identified in the sound study; and further conditions as carried forward from the 2014 entertainment license that the sound absorbing panels installed last year remain installed on the east and north sides of the tent and testing with an appropriate sound monitoring device at the neighbor's window 20 feet off the ground. Motion denied 1-3-1. Selectman Gordon in favor. Selectman Stewart abstained.

Recognition-Kristen Hollenbeck and Kim Robbins

Kim Robbins of French Farm Road explained how the Safe Routes to School initiative came about and acknowledged the coordinated effort over the last 4 years between the Town, Police Department, School Department, and parents. Kristen Hollenbeck of South Bradford Street acknowledged the support of Kristine Karelis, former Middle School PTO President and Judy Tymon, former Town Planner. Ms. Hollenbeck requested the town continue to work with the state to put sidewalks on Route 125. The Board recognized Ms. Hollenbeck and Ms. Robbins for all their work in bringing the Safe Routes to School project to North Andover.

FY2015 Six Month Financial Status Report-Lyne Savage, Finance Director

Finance Director, Lyne Savage, gave the FY2015 six-month financial status report. Ms. Savage indicated the snow and ice budget is at a break-even point but that does not include the latest storm. Ms. Savage explained that by law, the snow and ice budget is the only budget allowed to run a deficit and be carried over to the following year. The Town Manager indicated he does expect the snow budget to be \$300,000-\$500,000 over budget when the season ends; however, controls have been put in place that allow the Town to make transfers to cover the deficit by the end of the year instead of carrying the expense over to the following year. The Board thanked Ms. Savage for all her great work.

Accept donation (\$3199.70) from the Harold A. Dushame Revocable Trust to Police Department for Honor Guard Uniforms

The Harold A. Dushame Revocable Trust generously donated \$3199.70 to the Police Department for the purchase of Honor Guard uniforms. Donald Stewart made a MOTION, seconded by Rosemary Smedile, that the Board of Selectmen accept the donation of \$3199.70 from the Harold A. Dushame Revocable Trust to the Police Department for the purchase of Honor Guard uniforms. Vote approved 4-0.

Cheri Cousens, Executive Director, Greater Lawrence Sanitary District

Cheri Cousens, Executive Director of the Greater Lawrence Sanitary District, showed a power point presentation updating the Board on the Organics Energy Project that was first discussed at the Selectmen's Meeting on August 20, 2014. Ms. Cousens explained that last year Mass DEP banned commercial facilities from throwing out organic waste, so this new facility will address a need in the community. Ms. Cousens explained that they have received enough grant money to move forward with the design of the facility. In response to a question from the Board, Ms. Cousens indicated there would be 4 additional trucks per day during the pilot phase of the program and 12 additional trucks per day when the project is completely up and running. The Board expressed their concerns about disrupting the neighborhood, the environmental impact of the project, and the wear and tear on the roads. The Board requested a site visit to be scheduled, a peer review to be completed at the cost of the GLSD, and a written agreement be drafted regarding the number of trucks and hours of operation.

MARCH 2015

Acceptance of donations from Youth Sports Groups for Town Athletic Fields/Facilities-\$48,160

The youth sports groups have made their annual donation to the Town for the Town's athletic fields and facilities. The North Andover Soccer Association donated \$23,850, the North Andover Booster Club donated \$13,580, the North Andover Youth Baseball Association donated \$6,880 and the North Andover Lacrosse Association donated \$3,850. Tracy Watson made a MOTION, seconded by Rosemary Smedile, that the Board of Selectmen accept the donations from the youth sports groups for the Town's athletic fields and facilities in the amount of \$48,160. Vote approved 5-0.

Acceptance of donation (\$10,000) from Brooks School for the Kittredge School Gym Addition Project

Brooks School generously donated \$10,000 to the Town to be used for the Kittredge School Gym Addition Project. This donation was the second of three donations Brooks School will make toward this project. William Gordon made a MOTION, seconded by Rosemary Smedile, that the Board of Selectmen accept the donation from Brooks School in the amount of \$10,000 to be used for the Kittredge School Gym Addition Project. Vote approved 5-0.

Requests by Columbia Gas of Massachusetts

In accordance with M.G.L. c164 Section 70, the Board must give consent to the gas company to 'dig up and open the ground in any of the streets, lanes and highways of the town'. Jeff Philippe from Columbia Gas of Massachusetts was present to answer questions from the Board. Mr. Philippe indicated that each project would take approximately one week to complete and residents will be notified. The requests are to (1) excavate Buckingham Road, Young Road, Putnam Road, Little Road and Lyman Road for the purpose of extending and/or replacing its gas main (2) excavate Dana Street and Waverly Road for the purpose of extending and/or replacing its gas main (3) excavate Colgate Drive for the purpose of extending and/or replacing its gas main and (4) excavate Prescott Street, Moody Street, Furber Avenue and Upland Street for the purpose of extending and/or replacing its gas main. Tracy Watson made a MOTION, seconded by Rosemary Smedile, that the Board of Selectmen approve, subject to the conditions of the Department of Public Works, the 4 applications as provided by Columbia Gas of Massachusetts. Vote approved 5-0.

Set fee for Mobile Food Truck License

At the meeting on February 24, 2014, the Board adopted regulations with regard to mobile food trucks. At the time no fee was set. It was recommended the Board set a fee so the regulations reflect the intent of the Board, even if the fee is zero. There are 2 different fees that licensees pay- one for the Board of Health Permit and one for the yearly license renewal. Included in the packet was a Schedule of Fees for other licenses. The Board discussed the fact that mobile food vendors pay a yearly fee to the Board of Health for an inspection and that there are only 4 mobile food truck licenses allowed under the regulations. William Gordon made a MOTION, seconded by Donald Stewart, that the Board of Selectmen set the license fee and annual renewal fee for mobile food trucks at \$0. Vote approved 4-0.

APRIL 2015

Town Hall Expansion/Renovation Project

The Town Manager explained the next project in the Facilities Master Plan is the renovation of the current fire station into expanded municipal spaces to bring Community Development offices back to Town Hall. A working committee of employees and others provided feedback to determine the interior layout of the building. Jeff Shaw and Chris Logan of Donham & Sweeney Architects and Dan Pallotta of P3, the project manager, presented three options for the façade and front courtyard improvements to town hall as part of the expansion project. Chris Logan explained that the elevation at the Fire station is different than that at town hall so they needed to take that into consideration when designing. The Board was concerned about the maintenance required to have annuals in the courtyard, so requested that trees or bushes be planted instead. The Town Manager explained the next steps are to take feedback from the Board, make some changes, have a public meeting to solicit feedback from the community, and then have the architects present a revised plan at a future meeting.

Accept donation (\$5,000) from Friends of North Andover Senior Center for the 4th of July Fireworks Display

The Friends of the North Andover Senior Center have generously donated \$5,000 to the Town to be used for the 4th of July fireworks display. Tracy Watson made a MOTION, seconded by Donald Stewart, that the Board of Selectmen accept the donation of the Friends of North Andover Senior Center in the amount of \$5,000 for the 4th of July fireworks display. Vote approved 5-0.

North Andover Booster Club Little League—Opening Day Parade on Saturday, May 2, 2015 from 8:15 a.m. to 10:00 a.m.

Marc Cooperstein, on behalf of the North Andover Booster Club Little League, was present to request approval from the Board to hold the Opening Day Parade on Saturday, May

2, 2015 starting at 8:15 a.m. The parade will start on the corner of Merrimack and Water Street, travel onto Main Street, to Waverly Road to Dana Street and end at the Carl Thomas baseball field at approximately 10:00 a.m. Mr. Cooperstein indicated that he has informed the businesses along the route about the parade. All relevant town departments recommended approval. Donald Stewart made a MOTION, seconded by Tracy Watson, that the Board of Selectmen approve the request of the North Andover Booster Club Little League to hold an Opening Day Parade on Saturday, May 2, 2015 from 8:15 a.m. to 10:00 a.m. as presented. Vote approved 5-0.

Amendment to Financial Reserve Policies

The Board was given a recommended amendment to the Financial Reserve Policies to add to the policy the option to transfer funds to the OPEB Trust Fund (in addition to the OPEB Stabilization Fund) and to add the Special Education Stabilization Fund as an additional fund the Town shall maintain. The Finance is due to vote on the amendment at their meeting on April 15th. Tracy Watson made a MOTION, seconded by Phil DeCologero, to accept the amendments to the Financial Reserve Policy as presented. Vote approved 5-0.

200 Chickering Road, Unit 203B (Kittredge Crossing)

The Citizens' Housing and Planning Association (CHAPA) has notified the Town that the affordable housing unit at 200 Chickering Road, Unit 203B (Kittredge Crossing) is up for sale. It is recommended the Board not exercise its right of first refusal. Tracy Watson made a MOTION, seconded by Phil DeCologero, that the Board of Selectmen decline the right of first refusal to purchase the affordable housing unit at 200 Chickering Road, Unit 203B (Kittredge Crossing). Vote approved 5-0.

Applications for a Common Victualler License, All Alcohol Restaurant License and Entertainment License for Lots of Eats, Inc., 1211 Osgood Street, Unit 4

Applicant Kanitta Newton and her attorney, Dan Hayes, were present. Ms. Newton indicated she has had an All Alcohol beverage license in Maine for the last 5 years with no issues. Rosemary Smedile informed the owner that the Board takes their liquor licenses very seriously and warned the applicant that if she accepts out of state licenses, it is at her own peril. Ms. Smedile also let the applicant know she can purchase a scanner that helps detect fraudulent licenses. Rosemary Smedile made a MOTION, seconded by Donald Stewart, that the Board of Selectmen, acting as Licensing Commissioners, approve a Common Victualler license, an All Alcohol Restaurant License and an Entertainment License for Lots of Eats, Inc. Vote approved 5-0.

MAY 2015

Environmental Partners-Impact Study of Biosolids Project at GLSD

Robert Rafferty of Environmental Partners, provided a summary of his findings and recommendations regarding the potential community impacts of the proposed Biosolids Project at the Greater Lawrence Sanitary District. In response to a question from the Board regarding whether North Andover would be overburdened, Mr. Rafferty explained that to take in any more load than GLSD has predicted, would require a major expansion of the facility. He believes there will be some competition in this area and GLSD should take that into consideration when estimating load intake. Town Manager, Andrew Maylor, recommended forwarding the report to the GLSD, highlighting the findings related to the financial and contractual considerations. Mr. Maylor explained that he will add to the host agreement amendment the recommendations of the report and a clause relative to no idling and have the amended agreement reviewed by legal counsel.

Approve and sign year end budget reallocation

Budget Director/Town Accountant, Lyne Savage, was present and requested the Board approve and sign a budget reallocation to cover line item deficits and snow and ice deficit.

Ms. Savage stated that the Town will be getting \$200,000 from FEMA for the snow and ice deficit. The Town Manager explained that the Town's ability to cover the deficit is due to the change in Health Insurance. Tracy Watson made a MOTION, seconded by Phil DeColo-gero, that the Board of Selectmen approve and sign the reallocation of the Fiscal Year 2015 operating budget to cover the line item deficits and snow and ice deficit as presented. Vote approved 5-0.

Ratification of Collective Bargaining Agreement between the Town and the NEPBA Local 2 (police officers/sergeants) for the period July 1, 2015 to June 30, 2018

After 3 negotiating sessions, the town and the NEPBA Local 2 came to an agreement regard-ing their contract. The NEPBA approved the Memorandum of Agreement and ratified the contract. Tracy Watson made a MOTION, seconded by Donald Stewart, that the Board of Selectmen approve the Collective Bargaining Agreement between the Town and the New England Police Benevolent Association, Local 2 for the period July 1, 2015-June 30, 2018. Vote approved 5-0.

JUNE 2015

Accept donation (\$5,000) from Lowell Five Bank for 4th of July Fireworks

The Lowell Five Bank has once again generously donated \$5,000 to the Town to be used toward the 4th of July Fireworks display. Donald Stewart made a MOTION, seconded by Rosemary Smedile, that the Board of Selectmen accept the donation of Lowell Five Bank in the amount of \$5,000 to be used for the 4th of July fireworks. Vote approved 5-0.

Christopher Marshall of Borderline Running Club requests permission to hold 4th of July Road Races beginning at 7:00 a.m. at the Town Common

Christopher Marshall of the Borderline Running Club was present to request permission to hold 4th of July Road Races beginning at 7:00 a.m. at the Town Common. All relevant de-partments recommended approval. Rosemary Smedile made a MOTION, seconded by Tracy Watson, that the Board of Selectmen approve the request of the Borderline Running Club to hold the 4th of July Road Races beginning at 7:00 a.m. at the Town Common, as presented. Vote approved 5-0.

Elderly/Disabled Taxation Fund Committee—Lauren A. Lemack

The Board's appointment subcommittee recommended Lauren A. Lemack be appointed to the Elderly/Disabled Taxation Fund Committee. Phil DeColo-gero made a MOTION, sec-onded by Rosemary Smedile, that the Board of Selectmen appoint Lauren A. Lemack to the Elderly/Disabled Taxation Fund Committee for a term ending June 30, 2017. Vote approved 5-0.

Vote on façade and courtyard designs for Town Hall Renovations Project

Town Manager, Andrew Maylor, reviewed the 3 façade options for the Town Hall Renova-tion Project. Rosemary Smedile indicated this is a signature building for the Town and it should look as close to the original building as possible. Tracy Watson agreed and indicated that the redesign of the current front door into a window makes Option A more appeal-ing. The Board agreed that preserving the historical character of the building was impor-tant. Chairman Vaillancourt opened the meeting up for public comment. Stan Limpert of 43 Stonecleave Road, stated from a historical perspective, it would be wonderful to preserve the look of the current building. Anne Erickson of 57 Lincoln Street, reiterated the thoughts of the Board and would like to see either Option A or Option C. The Town Manager noted that the Board had asked the front to read "Town Hall" but historically it has read "Town Offices". The Board prefers "Town Hall". Rosemary Smedile asked that if it is changed, that the historical society be allowed to take the "Town Offices" letters from the building. Kathy Szyka, 201 Osgood Street, stated that "Town Hall" would be acceptable to the Historical Commission. Rosemary Smedile made a MOTION, seconded by Phil DeColo-gero, that the

Board of Selectmen choose Option A as the façade design for the Town Hall Renovation Project. Vote approved 5-0.

Chairman Vaillancourt reviewed the three courtyard designs. The Board discussed the proposal to replace the concrete with brick. Bruce Thibodeau, DPW Director, explained that brick is more difficult to maintain and it is slippery in the winter. Stamped brick is a better option. Chairman Vaillancourt suggested the Board vote on the design and talk about the material at a later date. Town Manager, Andrew Maylor, asked if the Board would prefer Option B if it were amended to open the front stairway a little more to provide a clearer view of the door. Chairman Vaillancourt asked for any public comment. There was none. Tracy Watson made a MOTION, seconded by Phil DeCologero, that the Board of Selectmen choose Option B, as amended by widening the front stairs, as the courtyard design for the Town Hall Renovation Project. Vote approved 5-0.

Standard and Poor's bond rating change for North Andover

Town Manager, Andrew Maylor, informed the Board that Standard and Poor's recently completed a bond rating review of the town and has recognized the Town's efforts to focus on building reserves and reducing debt. S&P has revised their outlook on the underlying rating from stable to positive which is the first step toward achieving a AAA rating. If the town is able to maintain the good, solid financial fundamentals that the Town has committed to over the last few years, it is expected in a couple more years North Andover would become a AAA community which would be the first time in the town's history. The Board thanked all the boards, staff members and citizens that have worked together to get to this point.

Request to change abatement rate for Senior Property Tax Work Off Program

Human Resources Director, Cathy Darby, is requesting the abatement rate for the Senior Property Tax Work Off Program be changed to the Commonwealth of Massachusetts minimum wage of \$9.00 per hour. The current rate is based on the Federal Minimum Wage of \$7.25 per hour. Tracy Watson made a MOTION, seconded by Phil DeCologero that the Board of Selectmen approve the request of the Human Resources Director to raise the abatement rate for the Senior Property Tax Work Off Program to \$9.00 per hour. Vote approved 5-0.

JULY 2015

Downtown Parking Committee Report—Jean Enright

Assistant Director of Community and Economic Development, Jean Enright, presented the Board with the Downtown Parking Committee's findings and recommendations. Town Manager, Andrew Maylor, asked the Board for direction on how they would like to proceed. The Board would like improvements to the rear parking lot to be done in time for the opening of the new town hall and instructed the Town Manager to begin conversations with the owner of the land in the rear parking lot in order to pursue the option of having 111 total spaces. The Board asked that the delineation of the spaces on the streets identified in the report be done as soon as possible.

Request of Sara Durkin of North Andover High School Music Department to use the Town Common for a "Summer Coffee House" on Thursday, August 13, 2015 from 5:00 p.m. to 8:00 p.m.

Included in the packets was a request from Sara Durkin of the North Andover High School Music Department to use the Town Common for a "Summer Coffee House" on Thursday, August 13, 2015 from 5:00 p.m. to 8:00 p.m. All relevant departments reviewed the request and have no issues, except standard conditions from DPW regarding parking and trash. Rosemary Smedile made a MOTION, seconded by Richard Vaillancourt, that the Board of Selectmen approve the request of the North Andover High School Music Department to use the Town Common on Thursday, August 13, 2015 from 5:00 p.m. to 8:00 p.m. for a Summer Coffee House. Vote approved 5-0.

Comcast Petitions to install underground conduits—Willow Street and Flagship Drive
Rosemary Smedile made a MOTION, seconded by Richard Vaillancourt, that the Board of Selectmen open the public hearing for the request of Comcast to install underground conduits on Willow Street and Flagship Drive. Vote approved 5-0.

Dave Flewelling, the representative from Comcast explained they are requesting permission to install underground conduits on Willow Street and Flagship Drive so they can provide service to businesses on those streets. Rosemary Smedile made a MOTION, seconded by Donald Stewart that Board of Selectmen close the public hearing. Vote approved 5-0.

AUGUST 2015

North Andover Merchants Association request to use Town Common for Fall Festival on Saturday, September 26, 2015 from 7:00 a.m. to 4:00 p.m. and close Massachusetts Avenue from Osgood Street to Andover Street from 8:00 a.m. to 4:00 p.m.

Dawn Pease, President of the North Andover Merchants Association, was present to request permission to use the Town Common for their annual Fall Festival on Saturday, September 26, 2015. Ms. Pease indicated that although their request stated from 7:00 a.m. to 4:00 p.m., they would like to amend that to 6:00 a.m. to 5:00 p.m. and amend the road closure request to close Mass Ave from Osgood Street to Academy Road, not Andover Street. All relevant departments reviewed the request and have no issues, except standard conditions regarding parking and trash. Phil DeCologero made a MOTION, seconded by Richard Vaillancourt, that the Board of Selectmen approve the request of the North Andover Merchants Association to use the Town Common for their Fall Festival on Saturday, September 26, 2015 from 6:00 a.m. to 5:00 p.m. and to close Massachusetts Avenue from Osgood Street to Academy Road from 8:00 a.m. to 4:00 p.m. Vote approved 5-0.

Affordable Housing Trust requests approval of disbursement from Affordable Housing Trust Fund for grant to Bread and Roses Housing, Inc. for purchase of 64-66 May Street
George Koehler, Chairman of the Affordable Housing Trust explained the project and introduced Yesenia Gil, Executive Director of Bread & Roses Housing, Inc. The Affordable Housing Trust is once again partnering with Bread & Roses Housing, Inc. to purchase a property to be renovated and sold as affordable housing. Included in the packets was a draft Grant Agreement. The Grant Agreement awards \$400,000 from the Affordable Housing Trust Fund to Bread & Roses Housing, Inc. for the purpose of purchasing 64-66 May Street. Once the units are sold to qualified buyers, Bread & Roses will pay back the trust \$128,000, plus the difference between the anticipated expenses and the actual expenses.

Phil DeCologero made a MOTION, seconded by Richard Vaillancourt that the Board of Selectmen authorize Town Manager, Andrew Maylor, to execute a Grant Agreement between the North Andover Affordable Housing Trust and Bread & Roses Housing, Inc., and approve disbursement of funds from the Affordable Housing Trust Fund in the amount of \$400,000.00 for the acquisition of property located at 64-66 May Street, North Andover, MA. Vote approved 5-0.

Request of Marybeth Chesler of North Andover Middle School to use Steven's Pond on Monday, September 21, 2015 and Thursday, September 24, 2015 from 8:15 a.m. to 2:15 p.m. for 6th grade kayaking

Marybeth Chesler of the North Andover Middle School submitted a request to use Steven's Pond on Monday, September 21, 2015 and Thursday, September 24, 2015 from 8:15 a.m. to 2:15 p.m. with a rain date of Friday, September 25, 2015 for 6th grade kayaking. All relevant departments reviewed the request and have no issues. Richard Vaillancourt made a MOTION, seconded by Tracy Watson, that the Board of Selectmen approve the request of Marybeth Chesler of the North Andover Middle School to use Steven's Pond on Monday, September 21, 2015 and Thursday, September 24, 2015 from 8:15 a.m. to 2:15 p.m. for 6th grade kayaking, with a rain date of Friday, September 25, 2015. Vote approved 5-0.

SEPTEMBER 2015

Approval and execution of documents related to Bradstreet development, including Tripartite Agreement and First Amendment to Land Development Agreement
Copies of the Tripartite Agreement and First Amendment to Land Development Agreement for the Bradstreet project were provided to the Board. These documents bind the developer and their lender to deliver the buildings that the Board approved on an agreed upon schedule. Town Counsel reviewed the documents. Richard Vaillancourt made a MOTION, seconded by Rosemary Smedile, that the Board of Selectmen approve and sign the Tripartite Agreement and First Amendment to Land Development Agreement for the Bradstreet project as presented. Vote approved 5-0.

Proposal by Fire Department to increase ambulance billing rate
Fire Chief Andrew Melnikas is recommending an increase in the Basic Life Emergency ambulance billing rate from \$804.61 to \$965.53. The rate has not been increased since 2010. Firefighter Jeffrey Deschanes reviewed the proposal for the Board. They are also recommending the town consider billing separately for special services which are currently included in the ambulance rate i.e., extra EMT or medications.

Richard Vaillancourt made a MOTION, seconded by Rosemary Smedile that the Board of Selectmen increase the Basic Life Emergency ambulance billing rate by 20%. Vote approved 4-0-1. Donald Stewart abstained.

Approval of Preservation Restriction Agreement for the Samuel Osgood House, 440 Osgood Street

Joe Cornish of Historic New England and property owner, Martha Larson, were present to request the Board approve the preservation restriction agreement on 440 Osgood Street, pursuant to MGL c184 §§31-33 in order to make the restriction perpetual. The North Andover Historical Commission has unanimously voted to support the agreement. Rosemary Smedile made a MOTION, seconded by Phil DeCologero, that the Board of Selectmen approve the Preservation Restriction Agreement for the Samuel Osgood House at 440 Osgood Street, North Andover as presented. Vote approved 5-0.

Osgood Solar, LLC application

The Planning Board has received an OSGOD permit application from Osgood Solar, LLC. Per the Zoning Bylaw, Section 17.13.2, the Planning Board, acting as the Plan Approval Authority, must distribute and seek reviews of the application from the Board of Selectmen and other municipal departments. Dan Leary of PowerOwners, gave a power point presentation of the project. Attorney Michael Rosen was also present on behalf of the applicant. The applicant is proposing to build a 6MW solar facility at Osgood Landing that consists of roof mounted panels and carport canopies. The Board was concerned that one of the proposed carports would infringe on the area that was supposed to be developed as part of the 2007 plan when the zoning was changed to 40R. Board expressed their disappointment that the mixed use plan presented in 2007 for the property was never implemented. Currently, Osgood Landing is at slightly more than 50% occupancy. The chair invited the public to comment on the proposal.

Larry McCue of 136 Castlemere Place stated that he is disappointed the original plan was never executed, that a lot of work went into the plans and that the citizens of North Andover have been let down. He suggested they build the building that was in the original plan and place the panels on the new building, getting rid of the carport.

In response to a question from the Board, the applicant stated the project would cost \$12 million and construction would start in spring 2016.

Linda McCue of 136 Castlemere Place stated that carports are unattractive and doesn't believe retailers would want to locate there with the carport.

Town Manager, Andrew Maylor, commented that there is a question as to whether the solar panels add value, are neutral or are a detriment. Mr. Maylor asked the applicant if there

was a way to make this project more in line with what was originally proposed for the site in 2007. The applicant stated that they will consider the following: designing the panels so they can be moved to the rooftops of any new building that is constructed, investigate moving panels further back from roadway and less in public view, and look into moving more onto the roof of the current building.

OCTOBER 2015

Economic Development

The Board discussed the need for the town to actively begin marketing North Andover to try to attract new businesses. The Town Manager explained that Eric Kfoury, Director of Community and Economic Development, will be aggressively pursuing larger businesses and will begin to reach out to businesses already in town to develop better relationships with the goal of keeping these larger businesses in North Andover. Chairman Tracy Watson suggested the Town consider hiring a professional marketing company.

Recognition—Officer Michael Gilligan

Police Chief Paul Gallagher introduced Officer Michael Gilligan who was recognized by the Board for his actions on June 6, 2015, when he swam into the Merrimack River to rescue a woman who was in distress. Chairman Tracy Watson presented Officer Gilligan with a Certificate of Commendation.

Fiscal 2017 Budget Policy Statement

In accordance with the Town Charter, Chapter 9-2-3, “on or before the first day of November of each year, the Board of Selectmen, after consulting with the Town Manager, shall issue a policy statement relating to the budget for the ensuing fiscal year. The statement shall establish the outer limits of possible budget growth for the town.” The Town Manager explained that the Budget Policy Statement creates the framework for developing the capital plan and budget. The policy statement outlines the goals of the Board of Selectmen as it relates to major initiatives and ties the goals into budget estimates. Mr. Maylor indicated he expects the budget to increase between 3.5% and 3.7%. Phil DeCologero made a MOTION, seconded by Rosemary Smedile, that the Board of Selectmen approve the FY17 Budget Policy Statement as presented. Vote approved 5-0.

Request to dispose of surplus equipment—IT Department

In accordance with town policy regarding surplus equipment, IT Director, Chris McClure, provided the Board with a list of IT equipment he is requesting be approved as surplus. Phil DeCologero made a MOTION, seconded by Richard Vaillancourt, that the Board of Selectmen approve the request of IT Director, Chris McClure, to surplus IT equipment per his email to the Town Manager dated October 9, 2015. Vote approved 5-0.

NOVEMBER 2015

FY2016 Financial Status Report—Lyne Savage, Finance Director

Finance Director, Lyne Savage, gave the Board a Financial Status Report for the first quarter of FY2016. Ms. Savage indicated collections are in line with last year and Stevens Estate is up almost 20% compared to last year. Ms. Savage also informed the Board that the Town has received approval from the Federal government for reimbursement of snow removal costs of approximately \$250,000.

Community Choice Aggregation Program

Included in the packets was information regarding the Community Choice Aggregation Program. The Town Manager explained that the Community Choice Aggregation Program allows the Town to go out to bid and find an alternative electricity supplier. This requires Town Meeting approval. The Town would only proceed if the bid for supply costs was less than what National Grid would charge. Residents do not have to participate in the program. There is

an opt out option. The Board instructed Mr. Maylor to invite the company in to explain the program further and answer any questions.

Formation of Opioid Abuse Task Force

Selectmen DeCologero is requesting the Board form an Opioid Abuse Task Force. Mr. DeCologero suggested members included representatives from the Police Department, Fire Department, Board of Health and School Department. The task force would gather information, collect data and report back to the Board so the town can decide the next steps in addressing the issue.

Libby Straus of Millpond, spoke to the Board about her experience with heroin addiction. Her daughter passed away from a heroin overdose at the age of 21. She requested there be an educational aspect to the task force to educate the high school students and parents. She also requested to be on the task force. Debbie Savoia of 22 Howard Street, suggested that North Andover join the Merrimack Valley Substance Abuse Program. She agreed with Ms. Straus that education is important and suggested we start the education at the middle school level. The Town Manager indicated he is meeting with officials from Methuen to gain insight on what they are doing and discuss the appropriate response to yield the best result. The task force should provide a list of resources the town already has and indicate where the gaps are. The Town Manager stated that this is a borderless issue and communication with neighboring communities is important. Dr. Frank McMillan from the Board of Health spoke in support of the initiative and is willing to help. Rosemary Smedile made a MOTION, seconded by Phil DeCologero, that the Board of Selectmen form an Opioid Abuse Task Force with membership as identified in Selectmen DeCologero's letter dated October 24, 2015 and three other residents to be determined. Vote approved 4-0.

Community Choice Aggregation Program—Mark Cappadona of Colonial Power Group, Inc. Mark Cappadona of Colonial Power Group, Inc. gave the board a summary of the Community Choice Aggregation Program. The Board was provided with a copy of a letter that was sent to Haverhill residents with FAQs about the program. Mr. Cappadona indicated that residents can opt out of the program at any time at no charge. Bernie Lynch of Colonial Power Group was also present.

Richard Vaillancourt made a MOTION, seconded by Donald Stewart, that the Board direct the town manager to draft a warrant article for town meeting with regard to the Community Choice Aggregation Program. Vote approved 5-0.

Vote to set the property tax classification for FY16

The Board discussed the effect of setting the factor at 1.34, 1.35 and 1.36. Because the values of condominiums and multifamily properties has increased significantly, the lower the factor, the bigger the increase in the bill for condominium and multifamily properties. Bills for single family residences will decrease and bills for commercial property will increase in all three scenarios.

Rosemary Smedile made a MOTION, seconded by Phil Decologero, the Board of Selectmen adopt a residential factor of 1.36 for the purpose of classifying the FY2016 North Andover property tax rates. Vote approved 4-1. Richard Vaillancourt voted against the motion.

DECEMBER 2015

Update on Police Chief and Fire Chief Search

Town Manager, Andrew Maylor, reviewed with the Board the criteria for the hiring of the police chief and fire chief. The Board will limit the pool to internal candidates, require a minimum of 3 years command experience and will require that prior to executing an employment contract the new chiefs will relinquish their civil service status. The Town Manager's goal is to have completed assessments to selectmen two weeks prior to the deadlines for hiring set by the Board.

Recommendation on three way stop sign on Water and Elm Streets—Lt. Gray
Lieutenant Charles Gray provided the Board with an update on the three way stop at High/Elm and Water Streets. The Police Department recommends that the stop signs remain. Phil DeCologero made a MOTION seconded by Richard Vaillancourt that the Board of Selectmen accept the recommendation of the police department to continue with the three way stop sign at High, Elm and Water Streets. Vote approved 4-0.

Town Manager contract extension

Chairman Watson explained that, given his excellent performance, the Board has agreed to a contract extension for the Town Manager until December 15, 2020. Rosemary Smedile made a MOTION, seconded by Phil DeCologero, that the Board of Selectmen sign the employment agreement between the Town of North Andover and the Town Manager, Andrew Maylor, for the period December 16, 2015 –December 15, 2020. Vote approved 4-0.

Ratification of Collective Bargaining Agreement between the Town of North Andover and North Andover Police Lieutenants for period July 1, 2015 through June 30, 2018

The Board and the North Andover Police Lieutenants have agreed to a Collective Bargaining Agreement. Phil DeCologero made a MOTION, seconded by Richard Vaillancourt, that the Board of Selectmen approve the Collective Bargaining Agreement between the Town of North Andover and the North Andover Police Lieutenants for the period July 1, 2015-June 30, 2018. Vote approved 4-0.

Assessors Office

Garrett C. Boles, Chief Assessor

Aggregate Value of Real Estate—12 month	\$4,338,194,425
Aggregate Value of Personal Property	\$120,842,040

Real Estate Tax Levy—12 months	\$64,639,718.50
Personal Property Tax Levy—12 month	\$2,473,636.66

Residential Rate per Thousand	\$14.27
C.I.P. Rate per Thousand	\$20.47

Water Lein	\$233,693.85
Sewer Lein	\$279,371.80
Interest (Water)	\$28,449.22
Interest (Sewer)	\$33,212.55

Betterment with Interest

Chapter 80 (Sewer)	\$27,368.58
Chapter 40 (Sewer)	—
Committed Interest (Sewer)	—
Committed Interest (Water)	—
Water/Sewer Lien Demand	\$23,263.60
Water/Sewer Lien Demand Commit Interest	\$1,961.05

Buildings and Vacant Land Assessed

Single Family	6274
Condominiums	2084
Misc. Res.	29
Two Family	408
Three Family	47
Four–Eight Family	52
Vacant Land	429
Residential/Commercial	33
Commercial Buildings and Land	511
Industrial Buildings and Land	82
Personal Property Accounts	830
Chapter 61—Forest Property	7
Chapter 61A—Farm Property	142
Chapter 61B—Recreational Land	7
Exempt Buildings and Land	421
Public Utilities	4
Utilities Valued by State	6

Town Treasurer

Brian Conway, Treasurer

As Town Treasurer, I submit my report for the 12 months ending June 30, 2015.

Receipts

July 1, 2014 to June 30, 2015	\$122,128,738.00
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Disbursements

July 1, 2014 to June 30, 2015	\$118,683,132.00
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RECONCILIATION OF CASH

Developer Bond Escrows	\$3,357,606.74
Petty Cash	950.00
Century Bank	3,019,450.18
Fidelity	724,641.46
Georgetown Savings	1,384,272.98
Institution for Savings	11,383,557.24
Lowell Five	15,696,821.44
M.M.D.T.	4,675,961.45
Pentucket	2,761,291.55
Peoples	633,270.33
Sage	672.92
Smith Barney	814,136.83
TDBank	5,833,426.32
Unibank	651,155.84
Total	\$50,937,215.28

UNCOLLECTED BALANCES—JUNE 30, 2015

Real Estate	2015	\$547,629.00
	2014	219,148.00
	2013	25,820.00
	2012	297.00
Personal Property	2015	32,900.00
	2014	18,174.00
	2013	10,169.00
	2012	12,347.00
Motor Vehicle Excise	2015	499,050.00
	2014	64,797.00
	2013	29,206.00
	2012	16,238.00

I respectfully submit the report of the Town Clerk for the Year 2015.

Our Annual Town Election on March 31, 2015 reelected Richard M. Vaillancourt and elected Phil DeCologero to the Board of Selectman. Andrew McDevitt was re-elected to the School Committee for a three year term and David M. Torrasi was elected to a three year term. Mark S. DiSalvo was reelected to a three year term as the Town Moderator. Newcomer Edward R. Capodilupo was elected to a five year term on the North Andover Housing Authority. A very busy time with our Annual Town Meeting on May 20, 2015 again successfully completed in one night with all articles approved by the Attorney General. North Andover voters now number over 19,000 and assuring compliance with all state regulations is an important task in preparation for a Presidential Election year in 2016.

We continue our passport agency authority and processed over 1000 passports under the able direction of Suzanne Pelich and Patricia Sifferlen. This is one of the best services we provide to North Andover citizens and others as well. Karen Fitzgibbons Assistant Town Clerk retired in December and will be missed. She gave 20 years of service to the Town in various capacities. Suzanne Pelich is now the Assistant Town Clerk and has ably assumed all the responsibilities for Licensing, Vital Records and support to the office. Patricia Sifferlen is now Senior Clerk and has taken on the duties that Suzanne previously was responsible for. Angela Ciofalo joined our office and also provides support to the Finance Committee. Angela previously was the Zoning Board of Appeals Secretary and quickly adapted to her new role.

Open Meeting Law postings and assuring mandatory ethics filings for over 3,000 employees and members continues to be a challenge. New state systems now include birth records and death records in 2015. These on-line initiatives require significant training and perseverance until technical glitches are ironed out. A dedicated and creative staff make all this possible.

The staff that answers and directs resident inquiries in a professional and friendly manner is often the first contact a resident has. What a pleasure to call and get a real person to help and guide our residents and visitors to where they need to go for help. Our relocation to 1600 Osgood Street as Town Hall is renovated ended 2015 with preparations to move in early January of 2016. Much preparation and organization was completed in anticipation of the move.

We recorded 301 Births, 83 Marriages, and 330 Deaths in 2015. Another busy year! Working with elected boards, appointed committees and outstanding personnel is a pleasure in North Andover as all these talented individuals give so much of their time and themselves. Their expertise and dedication to our community makes our Town the fine place to work and live. Thanks to all our residents for their continued support.

The Division of Community and Economic Development oversees programs in land use planning, economic development, health, transportation, and affordable housing. It manages the Town's land use authorities, the Health Department and the Stevens Estate, a special event and conference center owned by the Town. The primary objectives of the division are to enhance the physical environment and improve the quality of life for North Andover residents, as well as *to foster business development and promote economic growth*. The division provides technical support to a variety of groups and committees and manages a variety of projects. It is staffed by a Director, Assistant Director and Administrative Assistant. In January 2015, Eric Kfoury was placed in the position of Director.

There are four land use departments, including Building, Planning, Conservation, and Zoning. These departments assist residents and contractors involved in construction and land development achieve code and regulatory compliance to protect their health, safety and welfare; reduce potential hazards; protect the environment; and maintain a well-designed, physically integrated, livable and prosperous community. Between them, there are a total of 8 full-time employees and 5 part-time employee, as well as senior volunteers, interns, special employees and consultants assisting them. Finally, there are 3 autonomous boards (Conservation, Planning, and the Zoning Board of Appeals) with a combined total of 21 members.

The Health Department protects the public health of residents, workers and patrons of the town through field inspections, compliance/enforcement activities, consultation and guidance, and the monitoring of potential environmental hazards. It is managed by 3 full-time employees, 1 part-time employee, outside consultants, and 1 intern. The staff assists a 5-member Board of Health in shaping policies, developing local regulations and implementing programs.

The Stevens Estate is an events and function center for people and corporate groups; supporting local businesses and tourism, as well as a variety of town recreational, educational and community events. It operates under an Executive Director and an Events Manager. A 7-member Board of Trustees advises the staff on various capital improvement and operational matters. In July 2015, Joanna Ouellette was brought on to serve as Executive Director.

In 2015, various community and economic development initiatives took place. Included among them are:

- Continued master site planning for the integrated development of the former Davis & Furber buildings (East and West Mills), including demolition of a major building for site enhancement; construction of 15 market-rate apartment units; and multiple tenant fit-ups.
- Continued expansion at Merrimack College including construction of new on-campus student residences and cafeteria, dining hall, library and classroom renovations.
- Construction of an addition at Edgewood Retirement community.
- Commencement of the redevelopment of the former Bradstreet School property at the western end of the downtown corridor, including demolition of the school building and the construction of foundations for the two-story commercial building and 15 unit residential apartment building.

Some of the largest employers in North Andover include:

NAME	CATEGORY
Merrimack College	Higher Education
Demoulas Supermarkets	Grocery Store
Edgewood Retirement	Healthcare
Watts Water Technologies	Manufacturing
National Grid	Utility
The Eagle Tribune	Newspaper

With regard to affordable housing, the division continued its efforts to maintain and support State sponsored programs and funding activities focused on promoting affordable housing in the town, as well as the Commonwealth and Merrimack Valley region. The Town is a member of the North Shore HOME Consortium. Construction of the 196-unit Berry Farms 40B development began in Summer 2015.

In addition to working with the Planning Board, Zoning Board of Appeals, Conservation Commission and the Board of Health, the division assists the various boards, commissions and organizations regularly or on an as needed basis. These include:

Local:

North Andover Merchants Association	North Andover Affordable Housing
Housing Partnership Committee	Trust
Disabilities Commission	Community Preservation Committee
Technical Review Committee	

Regional and State Designees:

Merrimack Valley Regional Transit Authority	Merrimack Valley Economic Development Council
Metropolitan Planning Organization	Massachusetts Office of Business Development
Merrimack Valley Chamber of Commerce	

The following is a summary by the Animal Inspector for the calendar year 2015 (prior years included for comparison).

	2013	2014	2015
Number of animals quarantined for biting	26	20	20
Number of animals tested for Rabies	2	2	2
Number of animals testing positive for Rabies	1	0	0
Number of Cats quarantined for exposure to Rabies	16	19	19
Number of Dogs quarantined for exposure to Rabies	3	9	9
Number of Barns inspected	11	10	10
Number of Dairy cows and heifers	27	27	27
Number of Dairy herds ¹	2	2	2
Number of Beef cattle	0	12	12
Number of Steers/Oxen	2	2	2
Number of Beef herds ¹	1	1	1
Number of Horses/Ponies/Donkeys/Mules	55	65	65
Number of Goats	9	10	10
Number of Sheep	4	5	5
Number of Swine	1	2	2
Number of Swine herds ¹	1	2	2
Number of Fallow Deer	14	15	15
Number of Llamas/Alpacas	5	4	4
Number of Gamebirds	9	15	15
Number of Guinea Fowl	20	0	0
Number of Peacock	9	8	8
Number of Chickens	86	51	51

¹ Definition—herd: 1 or more animals.

Zoning Board of Appeals

Albert P. Manzi III, Esq., Chairman
Alan E. Cuscia
D. Paul Koch Jr., Esq.
Douglas Ludgin
Ellen P. McIntyre
Alexandria Jacobs, Associate Member
Denny Morganthal, Associate Member
Nathan Weinreich, Associate Member

The North Andover Zoning Board of Appeals is a voluntary land use appeals board that is appointed by the North Andover Board of Selectmen and is comprised of five regular members and three alternate members. The Zoning Board of Appeals annually elects a Chairperson, Vice-Chairperson, and Clerk pursuant to the adopted rules and regulations of the Zoning Board. Zoning Board members are each appointed to three year term. Regular Zoning Board meetings typically are scheduled on the 2nd Tuesday of each month and special meetings are scheduled as needed.

Generally, pursuant to MGL Ch. 40A, the North Andover Zoning Bylaw, The North Andover Town Charter, and the adopted Rules and Regulation of the Board, the purpose of the Zoning Board of Appeals is to hear petition(s) from an Aggrieved Party who has standing to seek relief from the North Andover Zoning Bylaw for a particular purpose by means of a dimensional variance, stemming from a particular zoning dimensional requirement that results in a hardship for the land owner with respect to the soil, shape & topography of their property. The Zoning Board of Appeals also hears petitions of land owners who have standing that require a Special Permit for a particular use as required by the North Andover Zoning Bylaw. The Zoning Board of Appeals also has the authority to hear zoning enforcement requests and make subsequent findings thereto from an Aggrieved Party who has standing to bring the request for enforcement to the Building Inspector.

Additionally, pursuant to MGL Ch. 40B and related regulations, the Zoning Board of Appeals is charged with hearing applications for affordable housing petitions when the applicant seeks a single comprehensive permit to construct an affordable housing project that may require zoning relief from other aspects of the Town of North Andover Zoning Bylaw(s) that the Zoning Board of Appeals would not otherwise hear pursuant to MGL Ch. 40A.

From 2014 through April 2015, the following is the reported:

- The Zoning Board of Appeals held 10 regular meetings and 1 special meeting. 11 Petitions were filed that included 3 Variance requests and 5 Special Permits requests, and 3 Building Inspector Aggrieved Party Finding Applications. After public hearings the Zoning Board took the following action: 3 Variance requests were granted, 4 Special Permits requests were granted, 1 Special Permit request was denied and not appeal.
- As to the Building Inspector Aggrieved Party requests, it is noteworthy that one Aggrieved Party enforcement application was approved as to Osgood Solar, LLC, which challenged the Building Inspector's administrative findings including but not limited to zoning district conflicts between MGL Ch 40A and 40R within the overlay district and exempted uses pursuant to MGL Ch. 40A sec 3 as to Solar, the applicant did not appeal the ZBA findings. Additionally, two Building Inspector Aggrieved Party enforcement applications were denied: The first denial was with respect to enforcement request by GSD Associates with respect to a sewer pump matter. The second denial was with respect to fees set by the Board of Selectmen. The ZBA's findings as to the Selectmen's fees were subsequently appealed by the applicant, National Refrigeration Inc.

Finally, 2015 proved to be a transitional year for the ZBA. Administratively we have been required to do more with less due to town management's administrative reduction of our office

staff from full to half time, consequently the ZBA office now keeps reduced hours. Administratively, the ZBA has regrettably noted the transfer of our zoning secretary Angela Ciofolo to the Town Clerk's office, and will note the retirement of our Building Inspector and Zoning Enforcement Officer Gerald Brown. Best wishes are extended to Ms. Ciofolo and Mr. Brown for their professionalism and dedication to the ZBA. The ZBA also noted the departure of respected members, Attorney Richard J. Byers and associate member Michael Liporto who faithfully served the Town. The ZBA welcomed new associate members Attorney Alexandria A. Jacobs and Nathan Weinreich, and the elevation of associate member Doug Ludgin to a regular member. The ZBA also welcomed our new Department Assistant, Merylle Chase. Finally it is noteworthy to thank Town Counsel Attorney Thomas J. Urbelis for his continued professionalism and support to the ZBA and Town of North Andover.

Building Department

Gerald A. Brown, Inspector of
Buildings, Zoning Enforcement
Officer
Jim Hurley, Plumbing & Gas Inspector
Brian Leathe, Local Building Inspector
Peter Murphy, Electrical Inspector
(thru 5/29/15)
Allan Paduchowski, Electrical Inspector
Maura Deems, Building Dept. Assistant

The following comparison table indicates construction activity for the Fiscal Year 2015. The permitting process and inspection remained on schedule.

We wish to thank those Town Departments that cooperated in the proper enforcement of Public Safety and Zoning By-Laws.

PERMITS ISSUED	NUMBER OF PERMITS			
	FY 15	FY 14	FY 13	FY 12
New Single Dwellings	40	45	56	30
Multi Dwellings	—	4	2	12
Residential Additions & Alterations	778	678	657	696
New Commercial & Industrial Building	7	10	3	3
Commercial & Industrial Additions, Alterations	118	113	98	103
Pools	10	18	10	17
Assessory Building	17	20	13	10
Miscellaneous (Signs, Demolition, Foundations, C of O, Town Owned)	296	207	292	185
Certificate of Inspections	99	102	101	91
Wireless Facilities/Solar Installs	63	88	3	8
Total # Building Permits issued	1428	1285	1235	1220
Total Building Permit fees	\$832,529.04	\$634,902.81	\$657,992.27	\$816,364.33
Electrical Permits	930	760	759	712
Gas Permits	632	606	529	407
Plumbing Permits	593	556	557	500
Total # Utility Permits issued	2155	1922	1845	1619
Total Utility Permit fees	\$265,400.77	\$189,725.87	\$271,893.84	\$173,397.08
Total # Permits Issued—Buildings & Utilities	3583	3207	3080	2839
Total Building & Utility fees	\$1,097,929.81	\$824,628.88	\$929,886.11	\$989,761.41

Conservation Commission

Louis Napoli, Chairman
Douglas Saal, Vice Chairman
John Mabon
Albert P. Manzi, Jr.
Deb Feltovic
Sean McDonough
Joseph Lynch
Jennifer A. Hughes, Conservation
Administrator
Heidi Gaffney, Conservation Field
Inspector
Donna Wedge, Administrative Assistant

The Conservation Commission is comprised of seven (7) volunteer members who are appointed by the Board of Selectmen for three (3) year terms. In addition, the Conservation Department is staffed by an Administrator, a Field Inspector and a Departmental Assistant who are responsible for the issuance of permits, ongoing inspection of permitted sites, wetland delineation reviews, open space management and monitoring and providing information and assistance to residents and developers regarding the Town's natural resources.

The Conservation Commission administers the Wetlands Protection Act (M.G.L. C. 131 S. 40) and the Town of North Andover Wetlands Protection Bylaw and Regulations (C. 178 of the Code of North Andover). These state and local regulations help protect valuable natural resources including North Andover's lakes, rivers, ponds, marshes, swamps, lands subject to flooding, vegetated freshwater wetlands, riverfront areas, ephemeral/vernal pools, and ephemeral/vernal pool habitats. These wetland resource areas play an important role in the following public health and safety interests:

1. Protection of public and private water supplies;
2. Protection of Ground Water Supply;
3. Flood Control;
4. Storm Damage Prevention;
5. Prevention of Pollution;
6. Protection of Fisheries;
7. Protection of Wildlife & Wildlife Habitat;
8. Recreation;
9. Sedimentation and Erosion Control.

In addition, wetlands provide a wealth of values to the public. Wetland benefits can be divided into three basic categories: fish and wildlife values, environmental quality values, and socio-economic values. Destruction or alteration of wetland resource areas eliminates or minimizes these important functions and values. For example, drainage of wetlands eliminates all the beneficial effects of the wetland on water quality and directly contributes to flooding problems. When wetlands are filled or their functions impaired, these benefits are lost and we all pay the price – in increased flooding and storm damage to streets and homes; more contamination of surface, groundwater and drinking water supplies; loss of wildlife habitat; and loss of valuable open space.

Any construction (including, but not limited to: a permanent structure, addition, deck, patio, shed, pool, roadway, driveway, septic system replacement/repair, public and private utilities, etc.) or alteration of land (including grading, landscaping, tree removal, etc.) within 100 feet of any wetland resource area or within 200 feet of a perennial stream/river in North Andover requires public review and a permit from the Conservation Commission. The Conservation Commission and professional staff are required to examine the potential impacts any proposed activity may have on identified wetland resource areas. Meetings are held twice a month for the purpose of reviewing project applications and conducting other Commission related business.

In fiscal year 2015, the Conservation Commission reviewed and permitted twenty-four (24) Notices of Intent, thirty three (33) Requests for Determinations, twenty-five (25) Small Projects, five (5) Abbreviated Notices of Resource Area Delineation, thirty three (33) Certificates of Compliance, and two (2) extension requests, two (2) amendments/modifications for a total of 133 Permits. In addition, numerous Emergency Certifications and Enforcement Orders were issued. Some of the significant projects permitted or under construction in fiscal year 2015 include: completion of construction at Pentucket Bank in the Butcher Boy Marketplace, start of construction and monitoring activities at the Berry Street/Riding Academy 40B, permitting of a demolition and reconstruction at the West Mill on High Street, permitting of runway safety areas at the Lawrence Municipal Airport and a sewer maintenance project for the Greater Lawrence Sanitary District (GLSD). A new subdivision was also permitted on Great Pond Road, construction continued on the Regency Place subdivision and the final houses in the Molly Towne Subdivision were permitted and are under construction. Brooks School replaced a portion of the stone retaining wall in Lake Cochichewick that supports their floating docks. The Department of Public Works permitted a new sewer pump station at Rea's Pond and Mass DOT permitted storm water improvements at the I495/Mass Avenue interchange. The Friends of North Andover Trails renewed their trail maintenance permit.

In addition to the administrative permit review process, the Department conducts weekly inspections for building permit applications and monitoring of active, permitted projects. Enforcement action and issuance of fines, when appropriate, is also a function of the Department. The Conservation Department, in cooperation with the Board of Health and DPW continue to coordinate efforts on beaver population and control where it causes damage to public and private properties and affects water supplies.

In March of 2015, the NACC voted to revise the North Andover Wetland Protection Regulations. Revisions included a new fee schedule and updates to filing requirements to reduce the amount of paper filings the department receives.

The Department is also charged as active land managers of Town owned Open Space properties. A 2013 study by the Trust for Public Land, states that every dollar Massachusetts spends on conservation returns \$4 and supports jobs for hundreds of thousands of people. With that in mind the Conservation Department, in conjunction with the Planning Department, undertook an update of the Town's Open Space Plan (last updated in 2010) which allows North Andover to accept state grant monies for open space purchase. The plan, originally anticipated to be completed in fiscal year 2014, will require additional work to finalize maps depicting all of the towns open space and recreational areas. The plan is anticipated to be complete by the end of fiscal year 2016 to ensure that the town continues to have the ability to accept grant monies for the purchase and protection of vital open space.

Trails and Open Space

The Conservation Commission maintains updated Open Space Rules and Regulations for all town-owned Open Spaces. Local volunteers, including members of the Friends of North Andover Trails (FONAT) and several eagle scouts, completed maintenance and improvements to several existing trail systems this year including installation of wood duck boxes along Mosquito Brook, marking of trails at Windrush Farm, continued efforts to remove invasive species at Osgood Hill; forest stewardship walk at Osgood Hill following the timber harvest; trail maintenance at the Ridge and Scout Trails at Mazurenko Farm by FONAT. FONAT holds trail work days, often on town open space, the first Saturday of the month spring through fall. Conservation restriction monitoring was conducted at Boston Hill. These maintenance and improvement activities were very much needed and will benefit the residents of North Andover for decades to come. The Conservation Department is grateful to these organizations and volunteers for their efforts.

In 2013 the non-native and invasive Emerald Ash Borer was found in trees on the Osgood Hill property. This insect, which has devastated ash trees across the United States and Canada, had only been detected in Western Massachusetts up to this point. The Department

of Conservation and Recreation (DCR) went to work immediately to determine the scope of the infestation and issued a quarantine which regulates the movement of wood products in affected counties. DCR continues to monitor trees and place traps throughout town. More information can be found at www.emeraldashborer.info.

Hunting

Hunting continues to be an important and effective land management tool in the control of deer populations throughout the commonwealth. Hunting is generally allowed pursuant to state statute on Open Space properties within the Commonwealth unless otherwise prohibited. Some method of hunting is, and has been, allowed on many Open Space properties in North Andover. The Conservation Department plays an important role in administering Hunting policies on town-owned Open Spaces by annually issuing special Hunting Licenses to promote an orderly coexistence with other recreational users during the hunting season.

Forest Stewardship

This year the Conservation Department applied for and received a Community Forest Stewardship Implementation Grant in the amount of \$11,790 to conduct forest stewardship activities at Osgood Hill. A selective timber harvest was conducted in March of 2015. Work to monitor the harvested area and conduct additional invasive species removal will continue into the new fiscal year. The town received a reimbursement for the forest management activities in the amount of \$9,274. The remainder of the grant monies will be received when invasive species work is finished in the coming year.

Stormwater

The Conservation Department assists the Department of Public Works in implementation of the Public Education portion of the Massachusetts Small MS4 General Permit required by the Environmental Protection Agency (EPA). The Conservation Department continued installation, maintenance and monitoring of dog waste stations at open space properties and worked with Greenscapes including a program at the library to educate citizens on water conservation and the use of native landscape plantings. This was held in conjunction with the Ipswich River Watershed Association and the North Andover Wildlife Team.

Mission Statement

The Elder Service Staff is encouraged to create an atmosphere that acknowledges the value of human life, affirms the dignity and self-worth of the older adult in the community and maintains a climate of Respect, Trust and Support.

Vision Statement

The most trusted resource in supporting the needs of the older adult in the community.

The Elder Service Department, under the direction of Irene M. O’Brien provides services and programs for over 5,643 older adults in the North Andover Community.

The North Andover Council on Aging was founded in 1965 and a volunteer Board of Directors was formed. The COA Board of directors is currently composed of eleven active members who are appointed by the Board of Selectmen. In 2015 the COA celebrated its 50th anniversary in service to the older adult in the community of North Andover.

Approximately 70% of the Senior Center’s participants are women; half of them live alone. The majority of them are Caucasian. Compared with their cohort group, 75% of them visit the senior center 1-3 times. The average age of participants is 72-84. They spend an average of 3.5 hours per visit.

We offer approximately 62 different types of programs and services on a monthly basis. We have expanded our meals program by adding the Wednesday Fresh Table Program and Tuesday Night Dinner Buffet, in addition to our congregate meal site. All vegetables and quick turnaround foods are prepared daily at the Senior Center for both the Meals on Wheels program and the congregate meal. In doing so, the food product that is being delivered to our MOW clients is fresher without sitting in an oven longer than necessary.

You can now find the Senior Center on most of the Social Media Websites. We have electronic boards within the senior center announcing educational programs, social events, photo collages along with fitness and support services programs. One of our main efforts is to keep our older adult healthy with an emphasis on nutritious food, for our homebound elders as well as those at our congregate site.

We have come a long way since 1965 as we continue to expand and redefine our services and programs to meet the needs of the aging adult in the community. As a service based department our community is changing every day. In a few short years the older adult will comprise between 25%-33% of the population of North Andover.

Significant Changes

Massachusetts received an increase in Formula Grant funding of \$1 per older adult, bringing the total to \$9 per older adult and increasing the total grant to Elder Services to \$48,018.

Prior Year Accomplishments

- Established the 1st annual Giving Trees drive! One hundred gift bags were distributed to home bound seniors. Each bag contained a gift cards and various items of personal needs.
- During January, over 100 babies in Puerto Plata, DR hospital received gift bags prepared by North Andover seniors and distributed by a missionary contact.
- Established a project for the knitting group, Hats for Vets and Hats for Kids. Distributed approximately 100 hat and scarf sets to North Andover schools and the Vets Outreach Center in Haverhill.

- Through collaboration with Greater Lynn Senior Services, established a support group for women age 50+ who are being abused by an intimate partner or other person in their life.
- Established a “Women’s Forum” with 25 female seniors in attendance each month.
- Increased the Foot Care Nurse services by adding an additional day each month. The service has increased from 12 seniors to 22 seniors a month.
- Early Stage Alzheimer’s support groups continue to grow as awareness and demand for counseling increases.
- Established a Sunday afternoon Theater group.
- Day trips increased from 4 to 12 during the summer season.
- Through collaboration with TRIAD and North Andover Housing Authority, initiated and scheduled (4) cookouts for the residents of housing in an attempt to create a better sense of community.
- Collaborated with UMass Lowell LIRA program; additional day trips have been added.
- Increased Intergenerational programs with participation from North Andover Youth & Recreation Services, Thomson School, Brooks School, the High School and Middle School.
- On Veterans’ Day, 86 meals were prepared by the Senior Center staff and delivered to Homebound Seniors in town.
- Increased program participants for Fresh Table from 24 to 35.
- Increased Brown Bag program from 32 to 48 eligible recipients.
- Through local assisted living facilities and nursing homes we expanded the Tuesday Night Dinner Buffet for a total of 6 months April – October. 35 seniors attended each month.
- Added the services of a massage therapist as an addition to the wellness programs and benefit of senior care for the seniors.
- Established and completed installment of all social media applications and frequency of posting: Facebook, Twitter and Patch.

FY17 Goals

- Offer an online virtual learning experience through Senior Learning Network by July 15, 2016 and October 1, 2016.
- Increase trained facilitators for Early Alzheimer’s Support from three to six by October 1, 2016
- Hold quarterly joint events with the Stevens Memorial Library through June 30, 2017.

CATEGORY	FY15 TOTAL ACTUAL	FY16 ACTUAL	FY16 PROJECTED
Outreach Contacts	7,384	5,782	11,564
Community Education	7,496	4,320	8,640
Congregate Meals	3,293	2,101	4,202
Home Delivered Meals	17,001	8,486	16,972
Recreation	12,162	5,836	11,672
Transportation	4,614	2,520	5,040
Community Projects	7,456	2,370	4,740
Fitness	5,174	2,317	4,634

Conclusion

The North Andover Senior Center is the only municipally funded resource and referral agency for the older adult living in the North Andover Community. The Elder Service Department continues to educate the citizens of North Andover so that they are aware of services available to support seniors in their homes. The challenge to the community as a whole is to find resources to continue funding new programs and enhance activities to meet the ever changing needs of the older adult.

The Council on Aging Board of Directors and the staff at the North Andover Senior Center are committed to supporting and helping the older adult remain active, engaged and independent in the community.

COA BOARD OF DIRECTORS

Elizabeth Poirier, Chairperson
Priscilla Cole, Treasurer

Jack Graham, Vice Chairperson
Margaret Shaheen, Secretary

BOARD MEMBERS

Peter Aziz

William Callahan

Dorothy Consiglio

John Gilboard

Patricia Long

Maria Rosati

ADMINISTRATIVE AND SUPPORT STAFF

Cahla Ahlstrom

John Conlon

Robert Connelly

Paula Crudale

Donna Delaney

Sandy Flaherty

Lya Morse

Jose Morel

Patricia Patnaude

Jamie Phelan

Joe Sergi

Karen Talbott

SPECIAL GROUP CHAIRS AND FACILITATORS

Fred Arakelian

Vivian Aziz

William Callahan

George Chory

Arleen Coon

Lois DiNapoli

Gail Holleran

Thomas Kooken

Milton Long

Carol & John Melvidas

Robert Milstone

Ruth McCarey

Lester Rugg

Richard Slade

Walter Soule

Kenneth Young

NUTRITION SUPPORT

Judy A. Lalmond

Maryanne Ramsey

MEALS ON WHEELS DRIVERS

Steve Anderson

Toney Fragala

Cliff Goddard

Edward Laycock

Lenny Nussbaum

Patricia Patnaude

Jack Trayer

WEDNESDAY FRESH TABLE VOLUNTEERS

Rose Arraj

Judy Lalmond

Nancy McCarthy

Gale O'Donnell

Gloria Philbrick

SENIOR WELLNESS WALK-IN CLINIC SUPPORT

Rita Lonardo RN, Visiting Nurses Association

Tina Cormio RN, Middlesex Community College & Students

Registration Support Volunteers: Priscilla Cole, Arleen Coon, Marie Furneaux, Patricia Long,

Elizabeth Poirier, Mary Savukinas, Glenda Stewart

MEDICAL TRANSPORT COORDINATOR AND VOLUNTEERS

Paula Crudale, Transportation Coordinator

Louise & Peter Aziz

Raymond Berthold

Elizabeth Conway

Sarah Dunlap

Thomas Kocken

Kenneth Hannan

Paul Lamm

Betty Little

Elizabeth Poirier

Sharleen Sullivan

Health Department

Brian LaGrasse, Public Health Director

STAFF

Michele Grant, Public Health Inspector

Francis P. MacMillan Jr., MD, Public
Health Physician

Debra Rillahan, R.N., Public Health Nurse

Lisa Hadge, Department Assistant

BOARD OF HEALTH MEMBERS

Thomas Trowbridge, DDS, MD, Chairman

Larry F. Fixler

Francis P. MacMillan Jr., MD

Joseph McCarthy

Edwin C. Pease

Mission Statement

The mission of the Health Department is to protect the public health by maintaining a comprehensive program of environmental and health services, which includes; field inspections, compliance and enforcement activities, monitoring of environmental hazards, societal health related issues and consultation and guidance to citizens and governmental agencies. The staff assists the Board of Health (BOH) in shaping policies by implementing programs and developing regulations that the members deem significant to providing a healthy environment for the citizens and workers within the Town of North Andover.

Significant Changes

Many health care providers are directing their patients to the local health departments for vaccines and various testing. This increase is due to changes in the Massachusetts state vaccine program. There have been increased requests for services such as; TB testing, Shingles vaccine, Hepatitis B and A inoculations. Most of these are not readily available at the Health Department at this time. Currently, most inquiries are forwarded to private clinics.

Public Health record keeping has been moving to online applications. This change allows better access to information that may indicate a public health outbreak and better tracking of cases. Information now is inputted through the Department of Public Health portals for all communicable diseases such as salmonella or Hepatitis A, tracked non-communicable diseases such as “Lyme Disease”, and since 2014 all births and all death certificates.

Emergency planning continues to be in the forefront. The North Andover Emergency Planning Group was formed in 2014. Members include all departments who may have any interest in emergency preparedness, as well as interested local educational institutions. Members choose the topics that are most current and attempt to provide organization to the issues such as local response to the international Ebola crisis, local emergency shelter issues etc. Citizens have high expectations for public health and safety preparedness for emergency situations. The group intends to continue in 2015.

Prior Year Accomplishments

- Hats and Hairnets. The BOH identified a 2014 Food Focus initiative of the use of hats and proper head covering in food establishments. A campaign to reach out to the establishment operators included; creating an educational handout for distribution, handing out free hairnets to business owners to promote the cause and providing two low-cost Certified Food Handler training opportunities. Compliance is being monitored, but results appear positive to date.
- Continued Internship use as low or no cost staff. Proctored a “master of public health” student from Regis College. Supported project investigating the issue of immuniza-

tions and North Andover students and identifying whether any part of the NA population is underserved in this area.

- Document retention. Continued input project of all Board of Health minutes and agendas. Began scanning of reports for Wheelabrator, TBI and other submissions. Determining necessities of retaining paper. Continued with additional projects that will improve access to the public documents and projects that will reduce document retention.

FY16 Goals

- Prepare for and facilitate the transition to Munis permitting software, leveraging the software to expedite permit awards, provide more transparency to the permitting process, and improve customer access to previously awarded permits. Software development efforts to begin February 2015 with and expected implementation date of November 2015.
- MA Record Retention Policy:
 - Complete and submit required state Record Retention forms and purge approved documents by October 1, 2015.
 - Inventory sheets completed
 - Record destruction forms submitted
 - Initiate purge
 - Continue implementation policy on future record submissions
 - Begin electronic data storage of all new property records July 1, 2015 (subject to required license and equipment).
- Internships. Support the community and public health by engaging at least one intern who is interested in a career in public health. Utilize intern for internal projects and support their educational path by providing them a varied experience within the department.
 - Summer paid intern projects identified in April and Posted
 - Review applications and choose interns by May
 - Oversee intern through August.
 - Contact Merrimack College by August to discuss possibilities for a volunteer internship for their public health track in the 2016 school year.
 - Follow process and oversee a fall or spring semester student who is studying public health.
- Health Department Permit renewal restructuring to enhance system for the applicants – Changing duration of permits to more conducive time of year; i.e. move food renewals to the spring.
 - July 1, 2015 Identify permits renewal dates and produce a spreadsheet that details which are required and which are not
 - Address those that can be changed from current timetable to March 1 – Feb 28
 - August 1, 2015 - Create letters to permit holders of the permits that are chosen to be changed. Include in the annual process
 - November 1, 2015 – Educated business owners on new process; log all connections made on spreadsheets
 - Make a plan to address additional permit type changes for 2016
- Identify and update local BOH regulations that are obsolete
 - October 1, 2015 Compile a complete file of copies of all local BOH regulations
 - November BOH meeting - Identify regulations for the BOH Chairman to review
 - Bring recommendations to the BOH in January 2016 BOH meeting
 - Execute decisions made by BOH by March 2016 meeting
- Trash truck monitoring program; pilot implementation; ongoing project. Create written plan for next phase of the project by October 1, 2014
 - July 1, 2015 Complete additional education necessary to Trash Truck owners on the monitoring pilot. Distribute RFID tags to truck companies

- August 1, 2015 Conduct observation monitoring to ensure companies are complying with the installation of the RFID tags
- September 1, 2015 Correct issues and proceed with piloting project. Compile data
- Conduct 3 separate tests at different locations at random times and dates.
- Contact companies with non-compliance information
- Create follow up plan

Operating Department Information

	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Commercial Permits ¹	256	254	262	266	241	295	260
Professional Permits ²	75	83	82	89	53	101	62
Food Est/Related Permits & Reviews ³	198	179	288	225	234	352	258
Septic (all related reviews/permits/inspections) ⁴	160	159	137	124	140	202	213
Offal Haulers/Trash Haulers and Placards ⁵	257	237	250	256	241	273	226

¹ Animal (11), Body art (1), Ice Rink (3), Rec Camps (31), Sun Tanning (3), Swimming pools (17), Tobacco (21), Well (1), Dumpster (154), Frozen Dessert (18)

² Body art (1), Funeral (2), Septic Installer (30), Inspector (29)

³ Food (159), Temp Food (96), Food Plan Reviews (3)

⁴ Title 5 (89), Plan Reviews (35), Soils (30), Repairs (57), Trench (2)

⁵ Offal (80), Trash Hauler (36 businesses), Placards (110)

Historical Commission

Kathleen Szyska, President
Anne Ericson, Secretary
Charles J. Gangi
Patricia Long
Nicholas Pelletier
James Wefers
Janice Williams

The North Andover Historical Commission is a seven person volunteer board whose members are appointed by the Board of Selectmen. Our mission is to serve as a resource for the citizens of North Andover in matters pertaining to the history of the town, helping to protect and preserve houses, landscapes, monuments and places of historic value. We also serve on the Community Preservation Act Board, the North Andover Historical District Commission and the Neighborhood Conservation District Commission (Machine Shop Village) as required by law.

In January of 2015 the Commission decided to work towards digital access for the seven volumes of the Cochichewick Chronicles which were originally printed during the town's 350th anniversary year. This will be an ongoing project.

Before the demolition of the Bradstreet School the Commission discussed ways to memorialize the school both in the new structure and in the new School Administration Building. Two granite markers from the Bradstreet School were salvaged for this purpose.

Commission members attended public meetings about the renovation of the old firehouse and Town Hall. Public input was given by Town Meeting members and the selected facade will maintain the historic landscape of upper Main Street. During the spring and early fall the Commission toured the Brooks School Campus and met several times with Brooks officials to become informed about their plans to demolish an old barn and construct a new arts center in its place.

Residents of the Maple Avenue/Third Street area met during 2015 with the Commission to become informed about steps to take if they want to become an official Historic District. The Commission approved the sale of the Samuel Osgood House on Academy Road with restrictions held by Historic New England.

In September the Commission participated in the 300th Birthday celebration of the Parson Barnard House which is owned by the North Andover Historical Society.

In 2016 The Commission anticipates the completion of the Old Burying Ground preservation project. This project, supported by CPA Historical Preservation grant funding, will ensure the existence of North Andover's most valuable historical site for generations to come.

The North Andover Historical Commission wishes to thank Carol Majahad, Director of the North Andover Historical Society, for her continued support and assistance throughout the year.

The Town of North Andover is committed to excellence in Information Technology in order to support communication, collaboration, efficiency, transparency, and service.

Investments in North Andover Technology must always be consistent with these goals in their service of Municipal and School Departments, Employees, Students, Parents, Volunteers, and Constituents.

For 2015, the North Andover Technology Department highlights progress in these areas:

Network

In addition to connecting the new Fire Station Headquarters to the town's fiber network, the Technology Department also assisted in connecting Stevens Estate and the Bradford Street Water Tower. Connecting Stevens estate allows town departments and emergency management to access town networks and phones. Connecting the Bradford tower allows public safety and public works systems and radios to run over the town's fiber network. NA Cam is also now able to broadcast from these three new locations.

The town Technology Department worked closely in 2015 with the School Technology Department to enhance wired and wireless networks in order to support the school's increased use of Google Apps and online services, and the addition of almost 1000 Chromebook devices.

Web and Social Media

The Technology Department made several improvements and additions to the town's website in 2015, and assisted in expanding the reach of social media.

Citizens may now use the town's "Report it!" form to report common issues to town departments. 164 issues were reported and resolved from the launch in October to the end of the year. Citizens may also use the town's new mobile app to report issues and easily access town information on the go.

North Andover increased its Twitter followers from 1000 to 2016 by the end of 2015, meeting its goal of 2016 followers by 2016. Facebook followers increased from 2000 to 2400. The town added a Google + page with 50 followers by the end of 2015. The town also has 546 email subscribers. The town keeps these followers up to date with frequent news and agendas and continues to increase the volume and variety of posts.

Munis Financial System

The Technology Department assisted the Finance Department in the deployment of the town-wide Munis financial system. This system integrates several stand alone systems into an integrated system, eliminates redundant processes, improves reporting, and offers many enhanced services to residents and staff. In July of 2015, the town successfully launched the Accounts Payable module of Munis, with plans to go live with Payroll, Tax and Utility Billing in 2016.

Looking Ahead

In addition to the continued Munis project, the Technology Department looks forward to going live with Google Apps in 2016, along with exploring an upgrade to the public safety and assessing software systems. The FY17 budget has plans for increased local virtualization, more cloud migrations, and the addition of powerful mapping application on the website.

Planning Department

Jean Enright, Interim Town Planner

NORTH ANDOVER PLANNING BOARD

John Simons, Chairman

Peter Boynton

Dave Kellogg

Lora McSherry

Lynne Rudnicki

The Planning Department consists of a Town Planner, a Planning Assistant, and a six member volunteer Planning Board. The Department reviews and endorses all Approval Not Required Plans M.G.L. Ch. 41 Sec. 81-L and 81-P, all Preliminary and Definitive Subdivision plans as required by M.G.L. Ch. 41 Sec. 81 - K to 81 - GG and the North Andover Subdivision Rules and Regulations, and reviews the Development Schedules for all subdivisions under Section 8.7 Growth Management. The Planning Department also reviews applications for the following fourteen different Special Permits, as authorized by ch.40A and the North Andover Zoning Bylaw, Chapter 160, Stormwater Management and Erosion Control Bylaw:

- Section 2.30.1 Common Driveway
- Section 4.125 R-6 Zone
- Section 4.136 Watershed Protection District
- Section 7.2.1 Access Other Than Street Frontage
- Section 7.2.2 Frontage Exception Lot
- Section 8.3 Site Plan Review
- Section 8.5 Planned Residential Development
- Section 11 Planned Development District
- Section 12 Large Estates Condominium Conversion
- Section 13 Continuing Care Retirement Center
- Section 14 Independent Elderly Housing
- Section 15 Planned Commercial Development District
- Section 16 Corridor Development District
- Section 17 Osgood Smart Growth Overlay District
- Section 18 Downtown Overlay District
- Chapter 160 Town Bylaws, Land Disturbance Permit

Planning Board Changes

The Planning Board is fully staffed with five full members and one associate.

Past Year Overview

During the FY 2015, the Planning Department reviewed and granted the following permits:

Type of Application	# of Permits Reviewed
Approval Not Required	5
Site Plan Review Special Permit	4
Watershed Special Permit	3
Wireless Facilities Special Permits	1
Definitive Plans—Subdivisions	2
Planned Residential Development	1
Total	16

The Board also held public hearings for zoning changes for the Annual Town Meeting FY 15, including amendments for the Downtown Overlay District (DTO), Rezoning of certain parcels to the Downtown Overlay District Sub-district A: Historic Mill Area, and Zoning Map corrections for the DTO District and Machine Shop Village Neighborhood Conservation District.

The Planning Department also coordinates and manages the Technical Review Committee (TRC) meetings, which are held at the request of applicants who may want to open a new business, build a new commercial or residential development in North Andover. The TRC meetings include representatives from several town departments and provide applicants with a venue to ask questions about the permitting process. In the FY15, the Planning Department hosted 10 meetings for various projects, ranging from a car repair shop and attached convenience/restaurant store, juice and smoothie bar, general site development, mixed-use commercial and residential development, relocation of offices, mixed-use retail and business development, creation of new recreation land and expanded Town offices.

The Planning Department goals for FY16 include the following medium and long-term planning projects:

- Prepare for and facilitate the relocation of the Community and Economic Development Offices to the new location on Main Street by Fall 2016.
- Prepare for and facilitate the transition to Viewpoint permitting software, leveraging the software to expedite permit awards, provide more transparency to the permitting process, and improve customer access to previously awarded permits.
- Work with the Affordable Housing Trust to implement plans to provide housing for “special needs” populations, including veterans, the disabled and the elderly. The Trust is exploring collaborations with local service providers to provide housing for these populations. This is an on-going effort.

The Planning Board meets regularly, as needed, two Tuesdays of every month and conducts Saturday morning site visits. Planning Board Meetings are typically held at the Town Hall Board of Selectmen Meeting Room located at 120 Main Street. All interested persons may appear and be heard. Persons needing special accommodations and/or those interested in viewing the application materials should contact the North Andover Planning Department at (978) 688-9535.

Stevens Memorial Library

BOARD OF TRUSTEES

Eva Hamori, Chair
Ann Haltmaier Cavanaugh, Vice Chair/
Stanley Limpert, Treasurer
William B. Duffy, Jr.
E. William Hansen
Peter J. Lafond
Maria Galvagna Mesinger

Kathleen Keenan, Director

To the Citizens of North Andover:

The Trustees of the Stevens Memorial Library herewith present their 107th Report, commencing with the report from the Library Director, Kathleen Keenan.

Report of the Library Director

To the Trustees of the Stevens Memorial Library, I hereby submit the 107th Report of the Director which is for the period January 1, 2015 – December 31, 2015.

The Library's Mission

Stevens Memorial Library serves as a resource for our entire community, providing informational, educational, and enrichment services. The Library is our gateway to the Merrimack Valley Library Consortium: 35 neighboring libraries with over 3,000,000 items to read, watch or listen to. It also is our gateway to the entire Massachusetts public library system: 370 libraries with an additional 30,000,000 items.

The Library's impact on the community can be divided into three key areas: providing children with literacy-rich environments, beginning at birth; enriching lives by providing materials and experiences that make North Andover a great home town; and helping patrons acquire new skills and provide the resources to grow and prosper.

Partnerships

Stevens Memorial Library services are greatly enriched by partnering with several groups and the support of many individuals. The dedicated **Friends of the Library** group is an integral partner in all our programming activities throughout the year. *Summer at the Stevens* programs (June through August for children, teens and adults) and *Sunday at the Stevens* programs (September through May) are a direct result of their hard work. The **Stevens Estate** was a generous host for the third summer of *Family Movies under the Tent*. Our **North Andover Schools** partnership grew stronger this year with events ranging from a local young poets reception in April, to meetings with the elementary school librarian and reading specialists, and the summer's **Million Minute Challenge**. The Library coordinated once again with the **Youth and Recreation Dept.** to increase the variety of summer family activities in Town. Other summer program partners include the **Massachusetts**

Library System reading program specialists, the **Massachusetts Board of Library Commissioners**, and the **Boston Bruins**. The **North Andover Arts Council** also provided financial assistance for special events.

We are grateful to the Friends, to our volunteers, and to our many partners who made 2015 both rewarding and memorable.

Library Events and Programs

Library staff worked to provide a wide range of regular activities, from story times for babies, toddlers and emerging readers to elementary school book clubs. Monthly adult book discussion groups were lively. Writing was a focus, too, with the Writers Group meeting monthly, November's *NaNoWriMo* (National Novel Writing Month), and memoir writing workshops done with the Senior Center. Sunday afternoons were busy with movie matinees or special visitors.

The summer theme was *Every Hero Has a Story*. Summer programs kicked off with *Rob Surette and his Amazing Hero Art*. Other programs reinforced there are all kinds of heroes from *Earthworms: our humble heroes*, to *Heroines on the Homefront*, and a *circus arts workshop with Marvelous Marvin*. Because reading during the summer is so important to maintaining reading skills, the *Million Minutes Reading Challenge* was issued by the Library and its co-sponsors: the North Andover Elementary PTOs, the North Andover School Committee, the Friends of the Stevens Memorial Library, and the Board of Trustees. Our most important objective was reached: more people of all ages and venues were reading and talking about the importance of reading during the summer.

We are appreciative of the work of numerous other visitors who presented programs entertained, educated, and inspired patrons.

2015 by the Numbers

By the Numbers data is based on FY2015 (July 2014-June 2015) as reported to the Massachusetts Board of Library Commissioners.

In an average Stevens week:

- The Library was open 7 days for 61 hours, Labor Day through Memorial Day, and 5 days in the summer (2,879 hours/year).
- 3,560 visitors came into the building (185,138 visitors/year).
- 1,186 public computer session (61,672 sessions/year).
- 3,726 items were borrowed (193,799 items/year).
- 1,137 items came and went through interlibrary loan services (59,146 items/year).
- 574 information and reference questions were answered by staff (29,848 questions/year).
- 11 library events were held in a meeting room (555 events/year).

Library Building Update

- Two major building goals were met in 2015. The historic entrance doors left for a few months to be restored and rejuvenated. The result is beautiful and with upgrades to the hardware, the doors float and move much more easily. Thank you to the **Community Preservation Committee** for supporting this work. The second, long requested goal was a baby changing station. Reworking space made it possible to add a family baby changing room inside the Children's Room.
- The Reading Room skylights also received attention: the old solar film was removed and new permanent blinds installed. The blinds allow plenty of light but reduce solar gain, improving energy efficiency.
- The Library roof, like many older buildings, has developed problems. The Gale Company completed a "building envelope" study in the fall. Information in this engineering report is being used to plan and find funding for a more permanent solution than periodic patching.

Library Long Range Planning

The Library began preparing a new five-year, long range plan in the Fall. The data gathering stage was completed and is being used to create the FY2018-2022 Long Range Plan. The plan will be completed in 2016, but some of the ideas are already being adopted. We thank the many people who generously answered the Library's user survey, answered questions, and attended meetings to describe their use and vision for the future.

Looking Forward

The Stevens Memorial Library looks forward with excitement to 2016 as we build on and enhance our programs, services, and collections for the residents of North Andover.

Respectfully submitted,

Kathleen Keenan
Library Director

Report of the Board of Trustees

The Board of Trustees offers its sincere thanks to the Library staff for their dedication in providing the public with exceptional Library services. The Board also extends its appreciation to the many volunteers for their behind-the-scenes activities; their efforts enable staff to provide and focus on direct services to the patrons. The Board extends a special thanks to the Friends of the Library whose numerous hours of volunteer service generate the funds that allow the Library to enhance its services beyond the annual budget. Their extremely popular book sales draw customers from around the region. It is the cooperation of these many groups and individuals that made the many programs and services mentioned above possible.

Following the retirement of Library Trustee Raymond Vivenzio, the Board welcomes new Trustee Mr. Stanley Limpert. The Board of Trustees extends its appreciation to Mr. Vivenzio for his many years of service.

The Board of Trustees officers' term end this year and new officers were elected at the November annual meeting. Officers for the next two years are: Eva Hamori, Chair; Ann Haltmaier Cavanaugh, Vice Chair; and Stanley Limpert, Treasurer.

The Board continues to oversee the investment and expenditure of Endowed Funds and Special Gifts. Proceeds from donors purchase books, furnishings, and equipment and are traditionally used to enhance the building and grounds, and the services, programs, collections and activities of the Library. The Annual Financial Report for Fiscal Year 2015 (July 1, 2014 – June 30, 2015) is included below.

Respectfully submitted,

Eva Hamori, Chair
Ann Haltmaier Cavanaugh, Vice Chair
Stanley Limpert, Treasurer
William B. Duffy, Jr.

E. William Hansen
Peter J. Lafond
Maria Galvagna Mesinger

ENDOWMENT FUNDS SUMMARY: FIDELITY INVESTMENTS

Value as of June 30, 2015

FUNDS	HISTORICAL VALUE	UNITS	PERCENTAGE	Fidelity	Eaton Vance
				(as of 6/30/15) \$230,175.45	(as of 5/1/15) 500,000.00
				PRESENT 6/30/15 VALUE	PRESENT 5/1/15 VALUE
					COMBINED
Charles Whitney Davis Fund	\$10,000.00	6742.8727	2.83%	\$6,523.65	\$14,171.04
Carrie Millar Dushame Memorial Fund	\$250,000.00	94195.3193	39.59%	\$91,132.85	\$197,963.88
Phillips Fund	\$2,550.00	2369.8682	1.00%	\$2,292.82	\$4,980.59
Berrian Fund	\$1,000.00	1184.9341	0.50%	\$1,146.41	\$2,490.30
Katherine Currier Osgood, Gayton Osgood, and Mary Ellen Osgood Fund	\$50,000.00	18482.2386	7.77%	\$17,881.35	\$38,842.86
Elizabeth P. Stevens Fund	\$10,000.00	9479.4692	3.98%	\$9,171.27	\$19,922.60
Nathaniel/Elizabeth P. Stevens Fund	\$25,000.00	21325.3808	8.96%	\$20,632.05	\$44,818.10
Dale Stevens Fund	\$13,500.00	11849.3373	4.98%	\$11,464.09	\$24,902.94
Anne Bradstreet Fund	\$1,500.00	1184.9341	0.50%	\$1,146.41	\$2,490.30
M.T. Stevens, Abbot Stevens, Mary O. Tyler Stevens & Reynolds Fund	\$61,682.81	71096.0137	29.88%	\$68,784.55	\$149,417.64
	\$425,232.81	237910.3679	100.00%	\$230,175.45	\$500,000.00
					\$730,175.45

ENDOWMENT ACCOUNT		
Beginning Balance Santander/TD Bank		\$13,002.47
Receipts		
	Donations	\$152.00
	Total Receipts	\$152.00
Expenditures		
	Collections (Books & Periodicals, e-content)	\$489.74
	Building Maintenance	\$462.14
	Supplies & Equipment	\$1,082.77
	Professional Services – Audit	\$0.00
	Community Outreach/Fundraising	\$0.00
	Programs	\$5,506.20
	Professional Development/Training	\$2,505.30
	Staff Appreciation	\$1,030.74
	Bank Service Charges	\$75.00
	Total Expenditures	(\$11,151.89)
Ending Balance 7/1/2015		\$2,002.58

TD BANK COPIER CHECKING ACCOUNT ACTIVITY—7/1/14–6/30/15		
Beginning Balance 7/1/2014		\$658.36
Receipts		
	Misc Deposits	\$523.84
	Copier & Computer Printouts	\$4,589.81
	Total Receipts	\$5,113.65
Expenditures		
	Copier/Printing lease	\$1,401.80
	Copier/Printer Supplies	\$1,214.94
	Books	\$0.00
	Periodicals	\$0.00
	Total Expenditures	(\$2,616.74)
Ending Balance 6/30/2015		3,155.27

Veterans' Services

North Andover-Boxford District

Gerard Maguire, Director of Veterans'
Services

The Department of Veterans ' Services is to advocate on behalf of all the Commonwealth's Veterans and provide them with quality support services and to direct an emergency financial assistance program for those Veterans and their dependents who are in need of benefits and services. In 1946, the Selectmen of the Towns of North Andover and Boxford voted to form a district and appointed a District Director of Veterans' Services to carry out the provisions of Chapter 115 of the General Laws. The Veterans Service Officer (**VSO**) is located at the North Andover Town Hall on Main Street. Walk-ins are always welcome however; we recommend calling first to ensure a representative is present.

Office Hours

Monday, 8:00 a.m. to 4:30 p.m.

Tuesday, 8:00 a.m. to 6:00 p.m.

Wednesday and Thursday, 8:00 a.m. to 4:30 p.m.

Friday, 8:00 a.m. to 12:00 noon

Office (978) 688-9525 or for urgent matters, call (978) 807-7286, or e-mail us at gmauire@northandoverma.gov

Services Provided as Directed by The Commonwealth of Massachusetts

- Financial assistance
- Medical Services
- Educational & Burial Benefits
- Property Tax Exemptions
- Veterans War Bonus
- Gold Star Mothers & Fathers Annuities
- Obtaining copies of discharges
- Replacement of Service Medals
- Burial Internment for Veteran and Spouse
- V.A. Home Loans and education benefits
- Life Insurance and Widows Pensions
- Veterans Disability Comp & Pensions
- V.A. Hospitals / Clinic Enrollment & Prescription plan

All of these programs are subject to eligibility according to State and Federal Guidelines.

NORTH ANDOVER/BOXFORD VETERANS SERVICES DISTRICT BOARD MEMBERS

Director of Veterans Services: Gerard Maguire

Boxford Town Manager: Alan Benson

North Andover Town Manager: Andrew W. Maylor

Expenditures

The Veterans Services salary and office expenses for FY2015 total \$420,757.00. The Town of Boxford apportionment for salary and office expenses total \$19,652.30. As of March 31, 2016, the Town of North Andover expended a total of \$181,902.85 for emergency/financial assistance with 75% of this expenditure being reimbursed by the Commonwealth of Massachusetts.

Enhancements

To help offset the increased demand for benefits and services we obtained a part-time office administrator to provide 20 hours per week of invaluable administrative service.

Are you a veteran or a widow(er) of a veteran?

Is your income less than \$1,915 per month (single applicants) with cash assets below \$3,200?

Married Veterans, is your combined income below \$2,585 month & cash assets below \$7,000?

Primary residence and automobiles are not counted as assets

If so you may be entitled to

REIMBURSEMENT of your MEDICAL EXPENSES
and/or

FINANCIAL ASSISTANCE

Under Massachusetts General Law Chapter 115

Call your Veteran's Service Officer for more information
(978) 688-9525

The Youth & Recreation Services Department, under the direction of Rick Gorman continued to provide superior quality services and a full complement of programs. The programs consisted of support programs, court-related programming, student leadership programs, family and individual services as well as a host of social, recreational and adventure services. In 2015, Youth & Recreation Services serviced 3,300 youth. 2015 also marked the 27th anniversary of our founding in 1988. 2015 also marked the 15th year the doors of the Joseph N. Hermann Youth Center have been opened.

The outstanding professional staff consists of Rick Gorman - Executive Director, Molly Malandrino - Support Services Coordinator, Micaela Tetrault - Social Programs Coordinator, Josh Peters - Recreation Coordinator and Demi Tetrault - Program Coordinator/Administrative Assistant.

After 15 years the Joseph N. Hermann Youth Center continues to be a lively and safe place for the youth of North Andover. The Center is open six days a week for middle and high school aged youth. On Saturday afternoons we have also built in time for 4th/5th graders to experience the center in preparation for when they enter the middle school.

In 2015 we had the most youth participating in our extensive eight week summer program. The summer was filled with clinics, recreational programs, playground programs, events and field trips. Once again this summer we oversaw the ever popular Stevens Pond. The Pond continues to be a jewel of North Andover.

The Center continues to offer part-time employment for the youth of North Andover, as we employed 150 kids during the extensive summer programs as well as after school. We also had numerous adult volunteers assisting us at the front desk, working within the building and serving on a numbers of boards and committees.

The year 2015 also marked the 10th year of assimilating programs run under the previous Recreation Department. The programs consist of Sunday Night Skating at Brooks School, the Saturday morning 4th grade basketball programs, along with the Sunday Night Summer Concert Series and our popular Summer Children's Shows on the Common.

The Youth & Recreation Director also chairs the Town Fields Committee. This position is responsible for permitting fields, working with our youth sport programs and developing short and long term plans for use and development. In 2015 we finished the new athletic field on Dale Street, completed the redevelopment of McEvoy Field, and began working on long range plans on the Middle School Athletic Complex. 2015 also marked the 5th year of raising funds for new fields/facilities. We have now raised over \$250k over a five year period.

The Center also relies on a number of committees to assist in the areas of fundraising, marketing, public relations, finance, budgeting and technology.

The Youth & Recreation Services Board of Directors and Joseph N. Hermann Youth Center, Inc. are also continuing to work on long range planning for the department and Center. We thank the JNHYC, Inc. for their continued financial and emotional support of the Center. In 2015 the JNHYC, Inc. donated over \$30,000 in equipment and funding. 2015 also saw the department purchase a second mini-bus.

The Joseph N. Hermann Youth Center, Inc. also ran the seventh annual "Taste of North Andover" fundraiser. The event provided food, fun, live and silent auctions as well as an opportunity to recognize the Center on 27 years of service.

The lifeline of Youth & Recreation Services is to provide support services, and I am once again pleased and proud of our constant mission of helping the youth and families in this community. The following are the services provided during the last year.

Adventure Programs

- Challenge Course
- Skateboard Park
- Rock Climbing Programs
- Hiking Programs
- Walking Programs
- Ropes Course Groups
- After School Adventure Trips

Support Services

- High School Girls Groups
- Middle School Girls Groups
- Youth Tracking and Outreach
- Holiday Giving Program
- Thanksgiving Drive
- Personal Care Drive
- Crisis Intervention Services
- Job Bank
- NAYRS Annual Teen Job Fair
- Collaboration with Local Therapists/Counselors
- Collaboration with NAHS Advisory Program
- Information and Referral Services
- Participation in Community Collaborative Initiative (CCI)
- Collaboration with high school Student Assistance Team (SAT)
- First Aid/CPR Classes
- The Bridge
- Participation in North Andover Opioid Task Force
- Participation in Merrimack Valley Opiate Committee
- Collaboration with North Andover Parent Resource Network
- Simon Potter Project

Social/Recreation Programs

- 7th/8th Grade Teenco Dances
- 6th Grade Teenco Dances
- 8th Grade Dress-Up Dance
- Core 4 Leadership Group
- Boys and Girls Basketball Tournaments
- Boys and Girls Flag Football
- Joseph Walsh Summer Basketball League
- Black Knights Winter Basketball League
- Black Knights Spring Basketball League
- Youth Center Classes
- NAYRS/NABC 4th Grade Basketball
- Tournament of Champions
- Event of the Day
- Extensive 8 week Summer Programs
 - Summer Fun
 - Sports & Rec
 - Girls Weeks
 - Boys Weeks
 - Adventure Week
 - Cooking Week
 - One Day Field Trips (White Water Rafting, Parasailing, Paddle Boarding)
- North Andover Fall Ball League
- Crusaders Special Olympics Basketball
- 4 vs. 4 Fall Soccer Tournament
- 4 vs. 4 Winter Volleyball Tournament
- Video Game Tournaments
- Skate Lessons
- Pick-up Beach Volleyball
- Girls Boot Camp
- Dance Team
- Street Hockey League
- Outdoor Skating Rink activities
- Seasonal Field Trips
- Stevens Pond Programs and Swim Lessons

Student-Run/Service Programs

- NAYRS News
- Youth Council
- Senior Youth Council
- Helping Hands
- Teenco Dance Committee
- Step Up
- Knight Work
- The Front Office
- Skate Committee
- The Squad
- Elevated Thought Art Program
- Community Involvement Programs

Special Events

- Annual Spring Carnival
- Youth Appreciation Day
- Summer Kickoff Party
- ½ School Day Events
- Turkey Toss
- End of Summer Celebration
- NAYRS/YMCA 3 vs. 3 Tourney
- Youth Center Fundraisers
- Big Screen Movie Nights
- Welcome Back to School Event
- 6th Grade Welcome Week Orientation
- Core 4 Youth Leadership Summit
- Sunday Night Brooks Skating
- Summer Children's Shows on Common
- Summer Concerts on Common

Court-Related Programs

- Juvenile Diversion

Emergency Management

Jeffrey J. Coco, Director
John P. Savastano, Deputy Director

Co-Deputy Directors:

Paul J. Gallagher, Police Chief
Andrew Melnikas, Fire Chief
Connor Lincoln, Senior Operations Officer
William Hastings, Senior Communications Officer

Emergency Management's duties include supporting public safety incidents, hazardous material incident support, regional emergency planning committee coordination, auxiliary police support, mass causality incident support, incident evacuation, state and federal resource coordination, emergency communications, disaster response planning, natural and manmade disaster response and mitigation.

North Andover Emergency Management activated its emergency operations center (EOC) and/or responded to "State of Emergency" incidents this year due to the record-breaking snowstorms that started at the end of January through February. We also responded to four hazardous material incidents, providing incident support and state and federal incident liaison.

Our RACES communicators continue to support monthly communications tests with MEMA to maintain communications proficiency and readiness in event of emergencies. We also conduct weekly testing of our primary communications to insure readiness during emergency situations.

The RACES, as well as the Emergency Management operations staff contribute countless hours of voluntary services to the town in support of any events that may require communications coverage or crowd control and public safety assistance during incidents.

We thank Mr. Benjamin Farnum for his continued support allowing us the use of Boston Hill for one of the repeaters and we are indebted to Andover Emergency Management director/Police Chief for his allowing the use of an antenna and our alternate repeater on Holt Hill in Andover. The placement of these two repeaters and antennas allows us fairly large communication coverage of the town.

We continue to recruit operations officers and RACES communicators holding valid Radio Amateur Licenses from the Federal Communications Commission (FCC). All town residents meeting these criteria are eligible to apply regardless of race, sex or creed. Interested individuals may contact the undersigned at any time. We continue to support, at their requests, the police and fire departments during other incidents.

As always our thanks to the many town boards and departments including Town Manager, the Finance Board, Honorable Board of Selectmen, DPW, Police, and Fire departments who can always be depended on to support our efforts including all MEMA, FEMA exercises and real emergencies that may arise.

My personal thanks to the Emergency Management Deputy Director, John Savastano, Operations Staff, headed by Connor Lincoln, Transportation Officer Neil Hamel, the Communications staff, headed by William Hastings and the RACES communicators and all the Emergency management Officers; without your dedicated support and all the voluntary service you provide to our community, our agency could not support our community. I greatly appreciate your time and effort.

During 2015, the Fire Department hired four new firefighters. Three were due to the retirements of three long time firefighters and the fourth as a result of the reinstatement of the Deputy Chief's position. In addition, and perhaps the most significant change of the year was the long awaited opening of the new Fire Headquarters, located at # 795 Checkering Rd. I would like to personally thank the many individuals who made this possible, but a special word of thanks should be given to the Finance Committee, Board of Selectmen and the Town Manager, Andrew Maylor. The new facility will greatly assist the members of the Fire Department in providing the best of care to the citizens of the Town of North Andover.

NORTH ANDOVER FIRE DEPARTMENT INCIDENTS	
Building Fires	592
Rescue and EMS	2610
Hazardous Conditions	125
Service Calls	443
Good Intent Calls	31
False Alarms	84
Total	3885

This past year has once again been an active one for the North Andover Police Department. In January the Foulds Terrace community tragically lost three residents to a senseless crime. Shortly after receiving 911 calls, our officers quickly identified the perpetrator of these crimes as a fellow resident and apprehended the perpetrator a short distance away from the crime scene. Our Officers worked closely with the Massachusetts State Police and the Essex County District Attorney's Office to bring the perpetrator to justice and the case is currently in superior court.

I am very pleased to welcome four new officers to full-time status with the department. Officer Michael Logan, Officer Brandon James, Officer Adrian Cuevas and Officer Anthony Sousa graduated from the first class of the newly formed Northern Essex Community College/Methuen Police Academy in the spring of 2015. Northern Essex and the Methuen Police Department manage the academy with guidance from an advisory board that includes police chiefs from Amesbury, Haverhill, Methuen, Lawrence, and North Andover. This is a Merrimack Valley Regional Police Academy put in place by the local Chiefs due to the shortage of police academies. The department is in the process of expanding our reserve force to replace the newly appointed officers. We look forward to the contributions of these new officers to the department and to the community. In addition to the new police officers, we hired Marie Petto as our new Community Service Officer. CSO Petto will handle parking enforcement and all animal control issues.

School safety is always among our top priorities. We continue to train in the unlikely event of any threat. In addition to our participation in the regional STARS (School Threat Assessment and Response System) team and along with our team of School Resource Officers, we have continued an innovative drill program over this past year, bringing a sophisticated level of training to our officers. Both school familiarity and violence response drills are conducted during school vacations. In addition, our School Resource Officers, along with shift officers, students and school staff, participate in school lockdown drills to better inform all involved with the lockdown procedure and identify ways to keep our students safer. This training is conducted at all five of our elementary schools, the middle school and the high school, so that our officers are familiar and comfortable with navigating through each building in the event of a threat or an emergency. We plan to continue this valuable training on a regular basis in all of the schools. We continue to work closely with school officials and have improved our communication system and emergency response techniques with all schools. All North Andover public schools have been issued a police portable radio to contact our 911 center in case of an emergency. Periodic radio checks are made to these schools to ensure they are functioning correctly and that school personnel are following protocol.

The police department is committed to the school community in ways that do not involve threats or emergencies. We have trained three additional School Resource Officers during the year and currently have Officer Kara Caffrey assigned to the Middle School and Elementary schools, and Officer Fredy Almanzar-Thomas assigned to the High School. Officer Michael Logan, along with all former School Resource Officers, is available as backup to these officers to ensure coverage at all times. These officers run the Student Police Academy, for high school students, to educate those interested in a law enforcement career and build relationships with those that are curious about police work. These officers are also trained instructors in RAD (Rape Aggression Defense) and RADKids (a personal empowerment safety education program to give kids the skills and knowledge to avoid and resist any violence or harm they may encounter). Classes in these programs are planned for 2016.

We celebrated National Night-Out in August with our biggest crowd ever and highest number of participating North Andover Merchants to date. More than ninety businesses took part by displaying their products and introducing their goods and services to more than 5,000

attendees. Our expanded Neighborhood Watch Program and use of social media outlets such as Facebook, Twitter and MyPD were an integral part of expanding this event. Thank you to all of our Block Captains, volunteers, businesses and residents, for making this event such an overwhelming success once again.

I am proud to report that the North Andover Police Department has been accredited agency for six consecutive years. We are currently putting the finishing touches on our preparations for re-Accreditation, and are scheduled to be assessed the first week of April 2016 by the Massachusetts Police Accreditation Commission.

The North Andover Police Department remained fully operational during last year's record snow events. Good operational planning involving police, fire, emergency management, D.P.W. and other Town departments, as well as the cooperation of North Andover residents, allowed all public safety operations to continue without disruption or decline in service. The collaborative effort of all involved resulted in a safe, record breaking winter.

The police department has completed the first phase of a Radio Infrastructure Project, aimed at transferring all radio traffic to fiber and microwave links. We have Implemented TASERS to assist officers and offer another less-lethal force tool.

The North Andover Police continue to work with the North Andover Fire Department to educate police and fire personnel on the increase of opioid overdoses in North Andover. All officers have been trained and issued Nasal Narcan to provide care for persons suffering an opioid overdose. Police officers are often the first to arrive on a scene of a medical emergency. As a result, they are an overdose victim's best and sometimes only chance of survival. These Narcan kits have been utilized many times by officers already. This is a trend that we expect will continue and unfortunately, even escalate. Our officers will continue to work together with the North Andover Opioid task force and the Merrimack Valley Opioid Task Force to explore ways to battle the Opioid issues that impact North Andover and its residents.

The police department has received three new police cruisers, all with new, state of the art equipment, emergency lights, sirens, and computer systems. The new equipment allows for a seamless transition from the prior cruiser equipment, but with technological advances geared toward ease of use, improved functionality and increased officer safety.

This will be my final annual report to the Town of North Andover as I am retiring in June 2016. It has been a great honor to serve this community since becoming a reserve police officer in 1977. I am proud to have been a member of the police department as I rose through the ranks and ultimately became Chief in 2011.

Finally, I would like to thank you, the members of our great community, for your continued support for the North Andover Police Department. I am confident that you will be well served by the next Chief.

2015 INCIDENT MAJOR TYPES	
Accident No Injury	564
Accident w/Injury	150
Assault	26
Assault and Battery	39
B & E	34
B&E into MV	111
Disturbance - General	374
Domestic	135
Driving Under the Influence	26
Drug Violation	22
Harassment	70
Harassment Order Violation	5
Identity Theft	87
Larceny	332
Larceny of Motor Vehicles	21
MV Accident Hit & Run	105
Neighbor Complaint	97
MV Stop	5,248
MV Citations	2,153
Total Call For Service (Not All Listed Above)	30,364

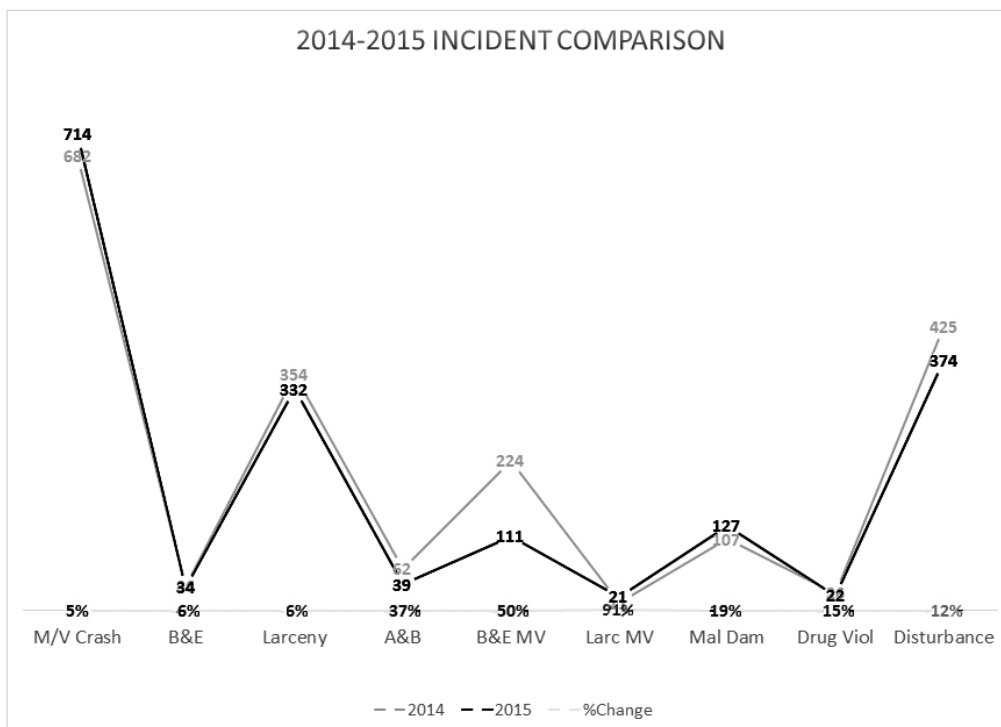
2015 Criminal Charges Summary	
Criminal Charge/Statute ID	Total Counts
A&B - Household Member	18
Assault & Battery	22
A&B on +60/Disabled w/Injury	1
A&B on Child with Injury	1
A&B on Police Officer	4
A&B with Dangerous Weapon	4
Abuse Prevention Order, Violate	14
Alcohol From Open Container in MV	2
Allow Oper Unreg Vehicle	1
Assault - Household Member	2
Assault	6
Assault and Battery With Serious Bodily Injury	1

Criminal Charge/Statute ID	Total Counts
Assault to Murder, Armed	1
Assault w/Dangerous Weapon	7
Attempt to Commit Crime	2
B&E Daytime for Felony	6
B&E Nighttime for Felony	7
Blocking Intersection	0
Burglarious Instrument, Possess	4
Check, Forgery of	2
Check, Utter False	3
Child Endangerment	3
Conspiracy to Violate Controlled Subst Laws	1
Corporate Credit/Money/Property, Misuse	1
Credit Card, Improper Use	1
Credit Card, Improper Use Under \$250	1
Credit Card, Receive Lost	1
Criminal Harassment	3
Dangerous Weapon on School Grounds, Carry	1
Deface Property (Tagging)	1
Destruction of Property - \$250, Wanton	9
Destruction of Property +\$250, Malicious	5
Destruction of Property, -\$250, Malicious	1
Disorderly Conduct	11
Distribution of Class B Substance	2
Disturbing the Peace	4
Domestic Assault/Domestic Assault and Battery	25
DPW Reg/Signal Violation	1
Electronic Messages-Composing, sending reading	1
Equipment Violation, Miscellaneous MV	2
Fail to Dim Headlights	1
Fire Alarm, False	1
Firearm Without FID Card, Subsq. Offense	1
Firefighter, Interfere With	1
Fireworks, Possess Unlawful	1
Fugitive From Justice on Court Warrant	3
Furnishing False Name or SS# to Law Enforcement	2

Criminal Charge/Statute ID	Total Counts
Harassment Prevention Order, Violation of	8
Harrassment Prevention Order	1
Identify Self, MV Operator Refuse	0
Improper Operation of MV, Allow	1
Indecent A&B on Child Under 14	0
Indecent A&B on Person 14 or Over	1
Innkeeper Defraud	1
Inspection/Sticker violation	18
Insurance Claim, False Motor Veh	2
Junior Operator License Violation	2
Larceny by Check over \$250	2
Larceny From Building	3
Larceny Over \$250	48
Larceny Over \$250 by Single Scheme	3
Larceny Over 250 from a person over 60/disabled	2
Larceny Under \$250	18
Larceny Under \$250, by false pretense	2
Leave Scene of Property Damage	16
License Not in Possession	3
License Restriction	3
License False Application	1
License Revoked/HTO, Operate MV With	1
License Suspended for OUI, Oper MV With	1
License Suspended or Revoked, OP MV With	65
License Suspended, OP MV With, Subsq. Offense	6
Lights Violation, MV	5
Liquor ID Card/License, False/Misuse	7
Liquor, Assist Person Under 21 Purchase	5
Liquor, Person Under 21 Possess	69
Liquor, Person Under 21 Procure	2
Liquor, Transport Unlawfully	1
Marked Lanes Violation	22
Motor Veh, Malicious Damage to	4
Murder	1
Murder, Attempted	2

Criminal Charge/Statute ID	Total Counts
Negligent Operation of Motor Vehicle	1
Noisy and Disorderly House, Keep	4
Number Plate Violation	5
Number Plate Violation to Conceal ID	11
OUI Drugs	3
OUI Drugs, 2nd Offense	8
OUI Liquor 3rd Offense	7
OUI Liquor	40
Passing Violation	1
Poss Class D W/Intent to Distribute	1
Poss Class E W/Intent Distribute	1
Poss Class D w/intent to Distribute	3
Possession Class A Substance	6
Possession Class B Substance	1
Possession Class C Substance	1
Possession Class E Substance	3
Public Assembly, Disturb	1
Rec. Vehicle Defective Equipment	1
Receive Stolen Property	1
Receive Stolen Property +\$250	11
Reckless Operation of Motor Vehicle	2
Red Light Violation	9
Registration Not in Possession	3
Registration Suspended, OP MV With	5
Registration Suspended, OP MV With Subsq. Off.	1
Resisting Arrest	12
Right Lane, Fail to drive in	1
RMV Document, Forge/Misuse	3
RMV Document, Possess/Use False/Stolen	1
Robbery, Armed & Masked	2
Safety Standards, MV Not Meeting RMV	1
Seat Belt, Failure to Wear	2
Shoplifting \$100+ by Asportation	9
Shoplifting \$100+ by Concealing	2
Shoplifting by Asportation	10
Shoplifting by Asportation, 2nd Offense	2

Criminal Charge/Statute ID	Total Counts
Shoplifting by Asportation, 3rd Offense	1
Shoplifting by Concealing	57
Shoplifting by Concealing Mdse, 3rd Offense	7
Shoplifting by Price Tag Tampering	3
Signal, Fail to	7
Speeding	7
Speeding in Violation Special Regulation	9
Stop for Police, Fail	2
Stop/Yield, Fail to	3
Threat to Commit Crime	10
Trafficking Heroin	1
Trespass	9
Uninsured MV/Trailer	37
Unlicensed Operation of MV	45
Unregistered Motor Vehicle/Trailer	25
Use MV Without Authority	4
Witness, Intimidate	7
Total Charges filed	967
Grand Total Distinct Bookings	672



Water Supply & Distribution

Distribution

In FY15, 400 feet of 8-inch and 180 feet of 6-inch ductile iron pipe were installed. The water distribution system now consists of: 148.87 miles of main pipe; 6 twelve-inch check valves; 4 twelve-inch altitude valves; 5 twenty-four-inch butterfly valves; 559 twelve-inch, 4 ten-inch, 1114 eight-inch, 1885 six-inch, and 4 four-inch gate valves; with 1,534 public hydrants.

Size of Pipe (Inches)	24	12	10	8	6	4
Length of Pipe (Feet)	1,917	275,601	7,615	412,459	81,159	684

There were installed in FY14 either wholly or partially, 103 water services. Seven fire hydrants were replaced and twenty-nine water main breaks or leaks were repaired. Hydrants were flushed, repaired, flagged and painted as necessary.

Statistics Relating to Distribution System

Kind of Pipe	Cast Iron, Ductile Iron, HDPE
Sizes	3" to 24"
Extended During the Year (Feet)	1,030
Discontinued (Feet)	0
Total Number of Hydrants Added During the Year	8
Total Number of Hydrants Now In Use	1,534
Number of Stop Gates Now In Use	3,579
Number of Stop Gates Smaller Than 4 Inches	0
Number of Blowoffs	6
Range of Pressure on Mains	20 to 148 psi
Kind of Service Pipe	Cement Lined Cast Iron, Copper, Ductile Iron
Size of Service Pipe	¾" to 10"
Number of Service Taps Added This Year	103
Number of Service Taps Now In Use	7,821
Number of Meters Installed	311

During FY15, our on-call contractor, Arco Excavators of Kingston NH, replaced 400 feet of brittle cast iron pipe on Coachmans Lane with an equal length of ductile iron pipe. Previous water main breaks in this area revealed an excessive depth of the cast iron main, up to 15 feet deep. Typical depth of water main is 5 feet deep. The excessive depth contributed to pipe ruptures due to the greater bearing stress. Plus, water main repairs at 15 feet deep are very difficult and time consuming. The new 400 feet of ductile iron pipe is at normal depth with the added benefit of the superior material in ductile iron pipe.

Water Supply & Distribution

Drinking Water Treatment Plant (DWTP) & Booster Pumping Stations

Throughout this fiscal year many repairs and improvements were made within the DWTP, Booster Pump Stations (BPS) and Storage Tanks. The following are just a few of the projects completed:

FINISHED WATER PUMPED FY 2015

MONTHS	MILLION GALLONS (MG)
July 2014	139.423
August	127.639
September	110.250
October	81.788
November	74.355
December 2014	76.281
January 2015	76.024
February	80.213
March	84.313
April	73.094
May	118.108
June 2015	119.657
TOTAL	1,161.145

Average daily consumption—3.18 MG/day
Max day pumping—February 28, 2015: 6.264 MG
Largest pumping period—July 8–14, 2014:
35.84 MG

- Emergency power upgrade—all plant equipment is now on the emergency generator ;
- Replaced the VFD on the Finish water pump #2;
- Replaced two sodium hypochlorite tanks and added a day use tank as required by DEP;
- Began replacing the old light fixtures in the Water Treatment Plant with new LED energy efficient lights;
- Passed the requirements to be re-certified for bacterial sampling in our lab;
- Replaced five gear boxes on the flocculation mixers;
- Began design of a new SCADA system to upgrade our outdated system;
- New flagpole installed in front of Water Treatment Plant building;
- Developed the Lake Cochichewick Outlet Dam emergency response plant;
- Replaced three actuators on the sedimentation basin control valves
- Purchased new fluoride analyzer, lab water reagent still, and sterilizing autoclave for the lab.

Cross Connection Control Program (CCCP)

The program is ongoing annually in accordance with the Department of Environmental Protection, Division of Water Supply 310 CMR 22.22 Regulations. The Town's Water Department is ultimately responsible for all actions regarding this program to insure that it is managed and maintained correctly according to Federal & State Laws. No cross connection violations were detected in FY 15 thus the program is extremely successful in keeping our water safe from outside contaminated sources. Six hundred and fifty seven (657) devices were successfully tested.

Sewage Collection & Treatment

Collection

In North Andover, sewage is designed to flow in three divisions: The East Side Drainage Area with its trunk sewer following Lake Cochichewick to the Merrimack River; the West Side Drainage Area with two trunk sewers: one on Waverly Road, Mass Ave, Beverly Street and Sutton Street, the other along the Shawsheen River; and the Central Drainage Area bounded by Waverly Road, Middlesex Street, and Main Street. All sewerage from the Town is treated at the Greater Lawrence Sewage Treatment Plant before being discharged to the Merrimack River. There are 90.86 miles of sewers in the North Andover Sewerage System with 5,831 house connections.

Size of Sewers (inches)	Length of Sewers (feet)	Size of Sewers (inches)	Length of Sewers (feet)
36	440	15	2,889
30	10,179	12	43,785
27	4,171	10	11,073
24	19,359	8	278,597
21	7,939	6	82,154
18	19,992		

In FY15, due to pipe defects, two sewer mains were replaced by our contractor N. Granese & Sons along School St and Bunkerhill St. Also, on Sutton Street, the sewer main between Charles St and High St was upgraded from 8-inch clay pipe to 12-inch PVC pipe. Increased capacity was needed on this section of Sutton Street. The contractor was for the Sutton St project was DeFelice Corp. of Dracut.

Also in FY 15, four repairs were made to Town sewer mains by our contractor and three blockages were cleared by our sewer crew.

Sewer Pump Station (SPS)

The Town has the responsibility of maintaining twenty-two sewer pump stations (SPS). These stations are scattered throughout the town and assist the low lying areas in pumping the sewerage to a higher location so that it will eventually reach the Greater Lawrence Sanitary District for treatment.

As with anything mechanical, repairs were made to the stations throughout the year. The following is a few projects that occurred during the year.

- The sewer personnel installed new valves, pipes and rotating elements at the Flag Ship pump station.
- Replaced the access hatches at Holly Ridge pump station.
- Sewer Truck #52 was replace with a new 2015 model
- Construction on the new Rae's Pond sewer station began.

Solid Waste Collection and Disposal

Solid Waste

Northside Carting of North Andover completed the fourth year of a five-year contract for collection and transportation of solid waste. A total of 8200 tons of solid waste was delivered to the Wheelabrator facility on Holt Road. The total was a bit higher than previous years, however, the recycling tonnage also increased from the previous fiscal year.

The enforcement of waste bans on visible recyclables in the trash continued to reduce the potential overall tonnage.

The seventh annual Earth Day cleanup was a success. 150 Volunteers removed 90 cubic yards of trash from roadways and public areas.

Recycling

The Sustainability Committee's (formally Solid Waste Advisory Committee) efforts to promote and enhance recycling continued to be very successful in the past fiscal year. Programs to improve education and outreach, increase school recycling volumes, collect all numbered plastic curbside, and not allow visible cardboard and paper to be placed in the trash have appreciably decreased solid waste tonnage and increased recycling tonnage.

The change over to weekly collection and to single stream, which means that all recycling materials may be put out for collection into one covered container marked as recyclables, has been very successful and increased recycling participation by 2% per year. Appliance pick-up and operation of a drop off center for recycling at the TBI Facility, 210 Holt Road by our contractor, Northside Carting continues. Further, the DPW continues

to provide drop off three days per week for yard waste at the Cyr Recycling Facility on Sharpeners Pond Road.

A total of 2700 tons of yard waste, paper, glass, tin, aluminum and plastic were recycled in this fiscal year.

Approximately 400 residents participated in two household hazardous waste days conducted by Clean Harbors. Fall leaf pickup, spring brush cleanup and Christmas tree pickup were also conducted in this fiscal year.

Highway & Engineering

Numerous upgrades were made to the storm water drainage system to eliminate flooding onto private property and on roadways.

A non-funded mandate has been promulgated for storm water pollution elimination and is being administered through the Environmental Pollution Agency (USEPA). Final permits and requirements have not been issued however, based on the work of the Engineering Department the DPW is in compliance with the draft regulations and has implemented procedures to stay in compliance.

The amount of Chapter 90 money the Town receives annually is approximately \$800,000. This can not address all the needs in a Town with approximately 145 miles of roads. In order to seek additional funding, through Local Funds to supplement the Chapter 90 allotment, it became necessary to develop a program that will identify needs, project costs, and assist to prioritize the improvements of roads in Town. Therefore, DPW sought outside assistance through an experienced consultant to prepare pavement management plan which investigated all roads in Town, rated condition of roads, identified repair methods, and costs. The work included a physical inspection of all roads in the spring of 2014. The software allows us to develop projects and identify potential funding sources.

Using the pavement Management process we have been following a program that establishes a priority for how funds are directed to types of roads. The arterials and collector roads are improved with Chapter 90 money and then local funding is directed to the local streets such as neighborhood streets that never seem to get improved. We have followed this program now in FY 2015 during which we received approval for funding of \$390,000. Below is a list of the streets improved in FY 2015 which amounted to approximately 6 miles of improvements.

PAVED ROADWAYS FY15	
Street	Location
Pembroke Road	Mifflin to Greene
Lacy Street	House #170 to Boxford town line
Woodbridge Road	Greene Street to end
Sharpeners Pond Road	Salem to Forest
Forest Street	Lacy Street to Sharpeners Pond Road
Middlesex Street	Third to Frontage
Mifflin Drive	Massachusetts Ave to Middlesex Street
Willow Ridge Road	Boston Street to end
Fox Hill Road	Pleasant Street to Great Pond Road
Bannan Drive	Salem Street to end
Sutton Street	Airport access road to High Street
Osgood Street	Pleasant Street to culvert
Robinson Court	Middlesex Street to end
Sutton Street	High Street to Charles Street
Boxford Street	Town line to Duncan less 700' water main

ENGINEERING

The Engineering Department is involved in major endeavors, along with the day-to-day requests for information from town boards, businesses, developers, and residents. The Dept. provided reviews, comments, and engineering input on various projects before the Planning Board, Board of Appeals, and Conservation Commission.

Design projects produced and completed in house by the Dept. are: the new intersection alignment at Johnson St., Farham St. and Mill Rd and drainage/pavement improvements on Appledore St. New designs produced or worked on are: a new parking layout behind Town Hall, intersection realignments at Sutton, Chadwick and High St, and intersection realignments of Prescott St. and High St.

Engineering is also working with MA Dept. of Transportation and neighborhood residents on the grant for Safe Routes to Schools. This project includes new roadway pavement, granite curbing and sidewalks on Green and Parker Streets. Major redesign and construction the intersections of Mass Ave. with Green St. and Mifflin Drive as well as Green St. with Parker St are also included. The contract has been awarded and construction is anticipated to start in May.

The Department is continuing with its efforts to convert paper plans to electronic format and file them within its database. Some of these plans have been imported into our GIS. We are also working on increasing the functionality of GIS for the management and record keeping needs of the DPW.

Forestry & Tree Maintenance

Our skyworker bucket truck was active in this fiscal year. A total of 200 trees were pruned,

25 were removed and 25 new trees were planted. Approximately 2000 Christmas trees were chipped in January and a large amount of brush was chipped during the curbside spring cleanup conducted in April.

Our tree department crews again worked with the various Committees in many ways throughout the year: Christmas lights were put up in the Old Center Common as well as the downtown area which made for a wonderful and festive display, flags were put up along Mass. Ave and Main Street for the 4th of July celebration and veterans day, and wreaths were hung along these same streets for the Christmas holiday.

Playground Maintenance

The playground system consists of Grogan's Field, 4.7 acres; Drummond Field, 5.0 acres; American Legion Beach, 1.4 acres; Carl Thomas Playground, 4.7 acres; Aplin Playground, 1.8 acres; McEvoy Playground, 4.1 acres, Reynolds Playground 3.0 acres; the Gallagher Field at the Town Farm 2.5 acres, the Cyr Recreation Area, 10.3 acres and the new Foster Farm Fields 6.0 acres. This brings the total number of acres to 43.5.

Parks & School Grounds Maintenance

The parks area consists of the Center Common, 8.1 acres; training grounds, 1.9 acres; Memorial Park, 2.7 acres; Old Burying Ground, 1 acre; Historical Society Plot; Farrington Burying Grounds; and 20 small plots at street intersections—a total of 15 acres. All park areas were maintained, and mowed an average of once per week. All triangles at various locations were maintained and mowed.

School ground areas consists of the Bradstreet School, 1.20 acres; Thomson School, 3.00 acres; Kittredge School, 6.57 acres; Franklin School, 8.77 acres; Sargent School 15 acres; North Andover Middle School and Atkinson School, 38.34 acres; and the High School, 44.52 acres—a total of 117.40 acres. Baseball fields, track and field facilities, field hockey, soccer, lacrosse, and football fields were maintained for competitive school events and for youth and adult athletic events.

Our thanks to all the volunteer organizations for funding programs, making improvements and for providing their time and effort in maintaining and improving our playing fields.

Who We Are

We are a community educational group established to advance the community interests of citizens with disabilities who live in North Andover. Our Commission is made up of individuals with and without disabilities who are providing an important civic duty for the town. We are all volunteers appointed by the Board of Selectmen and Town Manager. We are encouraged by the enthusiasm the members bring to the Commission as we volunteer our time and skills to represent and ensure equal access and treatment for people with disabilities.

The North Andover Commission on Disability Issues (NACDI) continues to work toward educating the local community (and building citizen support) concerning the needs and interests of people with disabilities. A quorum was achieved at most of our meetings this year. There were a couple of meetings that we had to reschedule due to some absolutely terrible weather, and serious barriers we had encountered.

The Commission has partnered with other groups to assist with PowerPoint trainings, workshops, focus groups, and other forums to help ensure that the people acquire a basic understanding of The Americans with Disabilities Act (ADA), IDEA, Fair Housing, and other disability related laws. Finding ways to get people to understand their obligations under the ADA is an ongoing, constant struggle for those of us who have disabilities. We appreciated interested persons coming to our meetings.

Some of the recommendations we have made for improvements include updating the Town's antiquated ADA Transition Plan, providing awareness trainings, installing directional signs, acquiring audible pedestrian signals, adapting counters and doorways, alternate print formats (i.e., Braille, audiotape, Screen readers, computer disc, etc.) ramps, etc. Overall, municipalities and businesses are willing to make these changes because they realize that making goods and services fully accessible increases their activities and sales.

Among this year's accomplishments

They have shown tremendous sensitivity, and concern for the interests of residents with disabilities. Additionally, by working together with our spirit of mutual cooperation, and by posting the signs at their places of business the merchants have indeed demonstrated the gesture of good will, and demonstrated their commitment to serving customers with disabilities on an equal opportunity basis.

We continue to educate people on the ADA as well as state regulations and all pertinent matters related to people with disabilities. We strongly emphasize that the Town needs to update its ADA Transition Plan that is sorely outdated, and no longer pertinent. We educate in all critical areas, i.e., municipal obligations, employment, transportation, public accommodations and access to programs, facilities. People with disabilities are faced with restrictions and a diversity of issues. At this time, more than 59 million Americans have a physical or mental disability and this number is growing fast! People with disabilities are a group that has been faced with restrictions and limitations. We have had a history of unequal treatment and political powerlessness. We educate against the stereotyped assumptions that people with disabilities encounter that are not indicative of our ability to participate in, and contribute to society and their community.

Our Mission is to educate North Andover's disability needs for the town and its residents, visitors and families with disabilities. Commissioners have provided technical assistance, training interested persons and Town Officials how to do access surveys, community education, trainings, meetings, and other activities to provide technical assistance with The Americans with Disabilities Act (ADA), The Mass Architectural Access Board (AAB) Regulations, etc. We completed a brief exterior access survey at a supportive business in Town.

We surveyed a newly constructed, shopping center, and found that they have done a good job in achieving ADA compliance.

We continue delivering community education for the town on ADA awareness needs/issues, including offering training and proper transition plan development for interested Town Officials; Posting Public Service Announcements (PSA's) to inform residents about needed resources such as loans available for Assistive Technology for all interested residents. For example we advised the Town to prominently post public notice of the ADA compliance at *all town buildings and schools* where the public is invited. School Departments, especially when accepting federal funding, are also clearly required to be able to produce, and follow-up on a modern ADA Transition Plan.

We had worked effectively in partnership with the Licensing Commission to inform Town businesses of their access needs and find that that usually they are cooperative in getting their businesses, parking areas, goods and services up to code. The dedication and hard work of the Town Clerk's office, and the North Andover Department of Public Works are much appreciated.

The Commission would like to express our thanks to all participants, legislators, board members, volunteers and staff for this tremendous show of support for the disability community of the Greater Merrimack Valley, as we join together to celebrate our combined strength.

We continued providing disability related Technical Assistance (TA) and community ADA inclusionary activities to heighten awareness and educate our community about the Americans with Disabilities Act (ADA), Federal Fair Housing, IDEA, and other civil rights laws. Commissioners provided community awareness activities for our ADA technical assistance services.

Why should all businesses and town public offices be ADA compliant? Not to mention possible revenue loss, all businesses are required to comply with the ADA... since 1990. The ADA is the national civil rights legislation adopted to prohibit discrimination against people with disabilities.

Title III of the ADA prohibits discrimination on the basis of disability that would prevent persons from having full and equal use and access to community businesses such as rests, hotels, golf courses, grocery stores, professional offices, theaters, etc. The law mandates that Municipalities, as well as businesses

- Remove architectural barriers in facilities when "readily achievable" meaning easily carried out without excessive cost or expense or difficulties.
- Make reasonable modifications in policies, practices and procedures to ensure equal access to people with disabilities.
- Provide aids and services to ensure effective communications with people who have sensory disabilities (visual, hearing, learning disabilities, etc.).

Every year, the numbers and needs of people with disabilities increase. Commissions provide services and initiate activities that benefit all of the citizens of the Commonwealth by

- Educating public officials about the needs for providing services to assist people with disabilities to live in the communities such as North Andover.

The Architectural Access Board promulgates rules and regulations designed to make public buildings accessible to and safe for use by persons with disabilities.

We testified that we are a consumer-controlled Disability Commission providing awareness and education to people with disabilities who wish to live independently in the community. The Commissions on Disability are a community of people who educate their own home communities in order to join together to create an all-inclusive community that is free of architectural, communication, attitudinal, as well as economic barriers for all people with disabilities. The Commissioner's philosophy states that people with disabilities are the best determinants of our own needs and service choices.

Being a Community Access Monitor requires knowledge of access laws and regulations, understanding of the range of organizations that have responsibilities under both state and federal regulations, skill in surveying and advocacy, and the ability to be persuasive and persistent. Through this training program, participants gained the knowledge and skills needed to become an effective accessibility advocate. Accessibility in Massachusetts is mandated by complex and far-reaching state and federal laws, whose enforcement depends upon the active involvement of the disability community. In close partnership with The Massachusetts Office on Disability (MOD) we encouraged people to get involved; every individual makes a difference. The law is behind this. Through your efforts, and the collective effort of the Community Access Monitor Program of MOD and the whole advocacy movement, you will help bring about change. If there are questions, or you are interested in attending an upcoming training, please feel free to contact Jeffrey Dougan at (800) 322-2020

There are many issues addressed in 2015. Then, we plan to continue educating citizens of North Andover to the needs of residents with disabilities. This includes people with all types of disabilities, and of all ages. It is difficult for individuals without disabilities to understand even the simplest barriers that can be encountered such as getting into a store with stairs or even a high threshold, going along sidewalks which are cluttered, cars blocking sidewalk curb cuts, etc. All people should be aware of the telephone relay service, how to provide print-reading materials in alternate formats (i.e., Braille, large print, computer disc, etc). People with psychiatric and many other disabilities encounter stigma and prejudice in our daily lives. We are attempting to make people more aware of these issues and others, which are very complex. We aim to hold true to our motto, which is "To educate, inform, and heighten awareness-for the good of all North Andover citizens."

We generally meet on the third Thursday of the month in a location to be determined . Please check for posted meetings on the Town's web site www.northandoverma.gov. We have had and will continue to have very informative guest speakers.

All persons interested in learning more about the Commission, The ADA or any other disability related issues are welcome to come to our meetings which are held the third Thursday of the month at 5:15 at the Town Hall. If you are interested, please call Nancy, she can be reached by calling the Town Manager's number.

Housing Authority

Cathy Hoog, PHM, LMHC, LMFT

Mary Beth Soucy-Larkin, Chairman
 Stephen Long, Assistant Chairman
 Edward Capodilupo, Secretary
 Madeleine Sutcliffe, State Appointee,
 Treasurer
 Francis McCarty, Member

As the Executive Director of NAHA, I am pleased to submit on behalf of the North Andover Housing Authority Board of Commissioners, the Authority's annual report. This report has been prepared in accordance with Chapter 121B of the General Laws of Massachusetts, which govern housing authorities.

The Housing Authority owns and manages 297 income based rental units of Public Housing in North Andover. The Authority-owned units are distributed in six elderly and two family developments, which consist of:

State funded

Fountain Drive	40 units of elderly/handicapped
Bingham Way	42 units of elderly/handicapped
Foulds Terrace	52 units of elderly/handicapped
O'Connor Heights	20 units of elderly/handicapped
	10 units of congregate housing
Veteran's (Family) Housing	14 two bedroom family units
	10 three bedroom family units
Ashland Street	4 three bedroom family units

Federally funded:

McCabe Court	45 units of elderly/handicapped
Morkeski Meadows	60 units of elderly/handicapped

Public Housing units administered by the North Andover Housing Authority are subject to the following income limits:

	State	Federal
1 person household	\$45,500	\$46,000
2	52,000	52,600
3	58,500	59,150
4	65,000	65,700
5	70,200	71,000
6	75,400	76,250
7	80,600	81,500
8 or more	85,800	86,750

The state minimum age requirement for elderly is 60, or handicapped. The federal minimum age requirement for elderly is 62, or handicapped. The minimum head of household age for family housing is 18 or over. Neither program has an asset limit. Income from assets is added to total income and that must remain within the above thresholds. North Andover residents and people who work in North Andover receive a preference for these programs.

In addition to owned units, the Authority also administers rental subsidy programs through the use of Federal and State funds. These programs are designed to provide a subsidy for housing to eligible elderly/handicapped, families, and single individuals. The Authority currently administers 133 Section 8 Housing Choice Vouchers and 4 Mass Rental Vouchers (MRVP).

The Authority offers the Family Self-Sufficiency Program (FSS) to those individuals participating in the Section 8 Housing Choice Voucher Program. FSS is a HUD funded social service program designed to promote employment and increase assets for families receiving Section 8 rental subsidies. During a five to seven year period, participants work individually with a case-manager on such goals as education, money management, job training, childcare, transportation, and homeownership education. A key component of the FSS Program is the establishment of an escrow or savings account that accumulates as earned income increases. Families receive the funds after they successfully complete the program. Many FSS families have used their escrow to purchase homes. FSS is unique because of its individual approach to supporting families and is one of the few asset building government programs in existence.

Future Plans/Goals

- Modernization improvements to housing authority properties
- Increase affordable housing opportunities
- Educate residents on available community resources and services
- Partner with local colleges to provide ongoing social work internships for social service coordination for residents
- Maintain smoke free properties
- Increase landlord participation in section 8 program through incentives and education
- Promote community and intergenerational activities for the elderly through partnerships with area providers
- Partner with the private and public sector to maximize services and resources for residents
- Provide financial education to housing authority residents and Section 8 participants to promote financial independence
- Promote home-ownership education for public housing tenants and Section 8 participants

The North Housing Authority is dedicated to serving the housing needs of the community.

The mission of the North Andover Housing Authority is to promote adequate and affordable housing, economic opportunity, and a suitable living environment free from discrimination. Working together with the staff, board of commissioners, residents, and community members, the North Andover Housing Authority strives to create neighborhoods where residents continue to be a valuable part of the community.

Schools opened for the 2014/15 school year on Tuesday, September 2, 2014, as the district welcomed 4,794 students in grades Pre-K through 12 into our town's schools. Although the number of students overall is down by 7 from the previous year, the high school increased its enrollment by 31 students while all other grades remained within five students of the previous year. Dr. Kevin Hutchinson, who served as Superintendent of Schools since 2012 and as Assistant Superintendent of Schools since the fall of 2007, announced his retirement in June of 2014. A new Superintendent, Dr. Jennifer Price, was chosen to lead the district in December of 2014, and began her tenure on July 1, 2015.

School Building Projects

A number of smaller facilities projects were completed during the summer of 2014. At the Atkinson School new carpets were installed, classrooms were painted and a kindergarten class was moved back to the Atkinson School from the Early Childhood Center. Drainage issues were resolved in the Franklin School driveway and new curbing and paving was installed at the front entrance. The Kittredge School gym was completed, carpeting was installed and parking added. Carpeting was installed at the Sargent School, the sidewalks were repaired along the driveway, and the island at the front entrance was reconfigured. Much needed parking spaces were added to the Thomson School. At the Middle School, the patio area outside the cafeteria was repaired, as well as the transition areas in the corridors. A classroom was converted into two classrooms for special education programs. The curbing and sidewalk at the north entrance was repaired at the high school as well as the field house, and the discus throwing area was relocated to the lower fields. HVAC energy efficient fixtures and units in all schools allowed for better monitoring, as well as creating a more consistent learning environment.

Strategic District Improvement Plan

The district leadership team began the 14/15 school year with a two-day retreat at the end of June that continued for 3 days in August and focused on supporting leadership and learning in each school through discussions based on Michael Fullan's book, *The Principal: Three Keys to Maximizing Impact*. Phase 2 of the district's Strategic Improvement Plan began on Wednesday, August 27 when teachers began a series of collaborative professional development activities which continued throughout the year.

Teaching and Learning

The Department of Elementary and Secondary Education (DESE) 2015 MCAS results released earlier this fall indicate North Andover Public School students continue to improve in almost all of the three key MCAS measurements:

- In percentage of students scoring advanced or proficient, the percentage rose from 80 to 81 percent in English (ELA) and from 71 percent to 74 percent in math.
- In student growth percentile, the district declined slightly from 56.5 percent to 54 percent in English and increased from 56 percent to 57 percent in math.
- In the cumulative performance index, the district improved from 92.2 percent to 93 percent in English and from 87.1 percent in math to 88.6 percent.
- In addition, science (which is only tested in grades 5, 8 and 9) saw an increase in the cumulative performance index from 84.9 percent to 86.5 percent.

Overall the district continues to score above the State in all subject areas.

Professional Development

The professional development plan for the 2014/15 school year was developed based upon input from the literacy survey, reflections from the Big Picture Protocol, and the Facilitators of Collaborative Inquiry Course, as well as teacher and administrator input. Further, it is aligned with the School District Improvement Plan. Its purpose is to improve the collaboration of educators who work together to seek out best practice, test those practices in the educator environment, continually improve processes, and focus on results.

At the elementary level, grade-level teachers across the district met eight times to discuss curriculum, look at student work, examine data and evaluate common assessments. This work informs instruction and helps to align curriculum throughout the schools. Work has already begun on examining the common math assessments, best practice around reading instruction and writing in the following three forms: narrative, opinion and expository.

At the middle school level, subject area teachers and teams collaborated to look at student work, develop and expand curriculum, examine data and discuss methods to improve instruction. Teachers in the sixth grade met with those at the fifth grade level to examine vertical alignment and transitional plans for children moving up, while teachers at the seventh and eighth grade levels met with high school teachers to do the same.

At the high school level, subject area teachers met to complete unit documents for all courses taught at the high school level, examined data and student work and discussed the use of the Habits of Learning rubric as it applies to each student. In addition, teachers examined best practice and shared their findings. They also met with college professors to help align the high school curriculum to that of college expectations.

Common assessments at all levels were examined, and the most indicative of student learning will be used for next year's testing. Further, recommendations for next year's professional development will be made and will drive the 2015/16 plan with the following goals:

- Employ the components of effective meetings, including agenda planning, group processes and decision-making;
- Participate in grade-level, collaboration meetings centered on looking at data and student work and make adjustments to instruction;
- Analyze common assessments and implement changes to assessments to increase rigor; and
- Develop the 2015/16 common assessment calendar.

Elementary Schools

The 2014/15 school year marked the beginning of free full-day kindergarten for all North Andover students. The official elementary enrollment (Pre-K through 5) for the 2014/15 school year was 2,199, with enrollment increasing at the second-grade level district wide by a total of 39 students. Average class size in grades K-2 was 23.30, and for grades 3-5, the average class size was 24.10. The average of the median student growth percentile for North Andover elementary schools, which measures how much the student changed relative to other students statewide with similar scores in previous years, was 57.7 percent in ELA and 55.7 percent in Math throughout the five elementary schools.

Atkinson School

The Atkinson Elementary School celebrated its 50th Anniversary during the 2014-2015 school year. The student, staff and parent communities came together for a number of celebrations of learning through the years and for some relationship building. Classes were treated to special tours of never-before-seen spaces in the building, our PTO outfitted every student with an anniversary tee-shirt, and grade levels contributed to a time capsule that will be opened in another 25 years.

The community came together for a "birthday" party in June to culminate the year's special activities. Along the way, our K-5 students were engaged in learning more every day about Atkinson's 4-R's: reading, writing, arithmetic and RAISE.

Franklin School

During the 2014-2015 school year, the Franklin Elementary School reinvigorated the RAISE values within the school community. Through whole-school assemblies, spirit days, and a focus on academic achievement, the Franklin Dragons deepened their understanding, appreciation and application of our core values.

Going along with that, the 2014-2015 school year was all about bringing our community together through teamwork. The school, PTO, parents, and North Andover community demonstrated that by their combined efforts to achieve the goal of obtaining a new playground. After a year of hard work through fundraising, planning and developing, this goal came to life. The new Franklin playground was constructed over the summer of 2015, and children have been enjoying the fruits of their labor since September of 2015.

Kittredge School

During the month of October, students learned about the Million Misfit Sock March, which focused on celebrating differences and taking a stand against bullies. Students showed their support by wearing mismatched socks for one day. In December, they turned the unused mismatched socks into dolls, which they donated to local nursing and retire homes in the Merrimack Valley. October was also the month that Smolak Farms brought apples to all students to participate in “Crunch Day.”

Kittredge kids focused on what community service “looks like” during the months of November and December. They Trick-or-Treated for Unicef, donated food items to provide complete Thanksgiving meals for North Andover families in need, collected coats for kids, and provided holiday gifts through adopt-a-family. While the holiday season is an easy time to remember to help others in need the message to students was clear, you don’t need a reason to help people.

In addition, the Kittredge School has been fostering a relationship with the local senior community. Two years ago a visit from the director of the senior center prompted students to create holiday cards for the seniors. This year a representative from the senior center returned bringing hand-made hat, mitten, and scarf sets for students in need. Our students again created and presented holiday cards. The goal of all Kittredge School activities is to allow student to hear, feel, and embrace the messages embodied in the core RAISE values.

Sargent School

During the 2014-2015 school year, Sargent school students and staff continued to work very hard in their studies of language arts, math, science and social studies. There were sensational academic efforts by all in the classroom and during our after school extracurricular activities! Additionally, students participated in a host of school activities related to creating a positive school climate and RAISE (Respect, Achievement, Inclusion, Service and Empathy).

The third and final phase of the *Sargent Playground* was completed during the school year and into the summer. After three years of hard work, Sargent now has two new primary play structures, a new basketball court, a hard top “off the wall” area, new retaining walls, and two more playing structures: a Unity Dome and Super Nova. The tireless efforts of the Playground Committee and the Sargent PTO over the last three years have created a playground experience for Sargent kids that can be enjoyed for years to come.

Thomson School

The Thomson School celebrated monthly All School Meetings based on RAISE, the arts and academic contributions. Parents of classes that presented were invited to attend, and the students enjoyed the opportunity to share their learning with the school community.

Kathleen Benner Duple and Anne Broyles were visiting authors and shared their experience as writers with the students. Fourth and fifth grade students also participated in a writing workshop with the author.

Teachers continued to focus on strategies and tools to promote literacy. We started the year off building an “Ice Cream Sundae” based on our student’s summer reading. There was a

huge sundae in the gym representing student reading! We continued to encourage students to increase the time they spent reading at home and in school.

Middle School

The Middle School's enrollment of 1,188 students in 2014/15 reflects a 5-student increase over the previous year. In ELA 84 percent of NAMS' students scored proficient or higher and the average of the median student growth percentile was 51. In math, 74 percent of NAMS' students scored proficient or higher, and the average of the median student growth percentile was 63.

Technology as an instructional tool was the focus of professional development at NAMS in 2014/15. Teachers increased their comfort level by working with the district's ITAC team in the use of Google Apps. Also in the area of professional development, teachers were able to spend some of their time focusing on school culture and bringing a positive attitude to the classroom to improve teaching and learning. In September, Applied Math Science (AMS) was implemented into the 7th grade and Digital Literacy and World Cultures were added to the related arts rotation.

Middle School students embraced service to the community by collecting 200 pounds of candy for American troops overseas, as well as participating in the annual canned food drive for the Bread and Roses soup kitchen in Lawrence. In December the NAMS Student Leadership Team held a *Lids for Kids* fund raiser with proceeds going to Boston Children's Hospital.

High School

The High School experienced an increase in enrollment over last year by 31 students for a total of 1,408 students in grades 9 through 12 for the 2014/15 school year. High School students continue to excel as 96 percent of students scored proficient or higher in ELA, 82 percent of students scored proficient or higher in math, and 86 percent of students scored proficient or higher in science/technology/ engineering. NAHS students received a number of academic awards in the 2014/15 school year. The Abigail and John Adams Scholarship was awarded to 95 members of the Class of 2015 who received scores of *Advanced and Proficient* on the grade 10 MCAS tests in ELA and Math. Eleven NAHS students were recognized by the National Merit Scholarship Program, 10 seniors received the President's Award for Educational Excellence, and 78 NAHS students received scholar awards by demonstrating college-level achievement through AP courses and exams.

Athletics

North Andover High School athletic teams had another successful year, winning 65% of their contests and compiling a 271-140-8 record overall. Merrimack Valley Conference Championships were won by Girls' Soccer, Golf, Boys' Indoor Track, Girls' Indoor Track, Girls' Ski Team, and Baseball. North Sectional Championships were won by Football, Cheerleading and Girls' Lacrosse. State Championships were won by Boys' Indoor Track, Girls' Indoor Track, Girls' Ski Team and Boys' Outdoor Track. Sixteen students were selected as *Boston Globe* and *Boston Herald* All-Scholastics. Two coaches were named *Boston Globe* Coach of the Year.

Music Dept.

In the spring, the NAHS Scarlet and Black Singers were again invited to Carnegie Hall in New York City. This is the 2nd time in 4 years that NAHS singers have performed at Carnegie Hall.

The North Andover Marching Band had an impressive fall competition season. A number of NAHS students participated in the Senior Districts and received All-State recommendations.

Drama Guild

In March, 3 students received Acting Awards at the 2015 DramaFest competition. The High School Drama Guild presented their annual spring musical, *Once On This Island*. The shows were well-attended.

Building Respectful Community (BRC)

The Building Respectful Community Committee, consisting of community members, parents, teachers and staff of the North Andover Public Schools, supports social and emotional learning in North Andover. The essential question for the BRC during the 2014/15 school year was: *How can we as a BRC District Committee support the community of North Andover by including and celebrating diversity and cultural differences?* A highlight of this year's activities was the Poetry Jam in which 167 entries were received focusing on celebrating diversity and cultural differences. All schools and grade levels were actively engaged in their RAISE activities throughout the year by reaching out to community organizations. During the holiday season, all seven schools participated in food and coat drives, and items were donated to the North Andover Youth Center, UNICEF, and the local food kitchens.

Associated Programs

Scarlet Knights Academy

Scarlet Knight Academy is an alternative to the traditional high school program, offering evening classes that are designed to meet the specific needs of individual students. Scarlet Knight Academy provides rigorous curriculum, delivered through dynamic instruction within small student-centered classes. With an emphasis on supporting the whole student, we strive to create an environment where individuals can take risks and challenge themselves both academically and personally.

Students enrolled in the Scarlet Knight Academy will earn a North Andover High School diploma, and as such, must meet graduation requirements outlined for all students which include passing the ELA, Math and Science MCAS exams. In addition, all Scarlet Knight Academy students must participate in the work-study/community involvement program. Students must participate in a minimum of ten (10) hours per week of paid or volunteer work.

Community Programs

Community Programs continued to offer before- and after-school programs for North Andover students. The Breakfast Club is located at all five elementary schools and serves a healthy breakfast beginning at 7:00 a.m. and runs until school opens at 8:25 a.m. Kids' Stop is now located at all five elementary schools, in addition to the Middle School, and is open until 6:00 p.m. A number of popular after-school activities hosted by Community Programs include the Robotics League, a Legos Club, the Ski and Snowboard Program at Bradford ski area, and the EXCEL program, which offers an exciting medley of mini courses for elementary, middle and high school students. Summer sports activities include boys and girls basketball, soccer, lacrosse, track, field hockey, and tennis.

Noteworthy Events

The Tenth Annual 2015 Pristash Awards Ceremony took place on April 30 from 6:00 to 9:00 p.m. at the North Andover Country Club. The awards, named after David and Leanna Pristash for their exemplary volunteer efforts for the North Andover Public Schools, have given out \$18,000 in scholarships over the years. This year Terry Holland was honored at the elementary level, Jenn Scarpa at the Middle School level and Dianne Stevens at the High School were honored.

School Enrollment

Enrollment by Grade (2014–15)

Grade	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	SP	Total
Annie L. Sargent School	0	93	89	89	90	84	95								0	540
Atkinson	111	69	76	74	62	69	74								0	535
Franklin	0	75	76	67	96	96	94								0	504
Kittredge	0	44	50	49	48	52	54								0	297
Thomson	0	54	71	45	51	46	56								0	323
North Andover Middle	0	0						409	363	416					0	1188
North Andover High	0	0									369	325	340	374	0	1408
District	111	335	362	324	347	347	373	409	363	416	369	325	340	374	0	4795

Enrollment by Gender (2014–15)

	District	State
Male	2474	489,731
Female	2321	466,113
Total	4795	955,844

Enrollment by Race/Ethnicity (2014–15)

Race	% of District	% of State
African American	3.1	8.7
Asian	7.5	6.3
Hispanic	7.7	17.9
Native American	0.3	0.2
White	79.3	63.7
Native Hawaiian, Pacific Islander	0.3	0.1
Multi-race, Non-Hispanic	1.7	3.1

Kindergarten Enrollment (2014–15)

Student Group	Kindergarten Enrollment				Full-Day Kindergarten	
	Total	Part-Time	Tuitioned	Full-Time	Total	Percent
High Needs	71	0	0	71	71	100.0
Economically Disadvantaged	37	0	0	37	37	100.0
LEP English language learner	9	0	0	9	9	100.0
Students with disabilities	34	0	0	34	34	100.0
African American/Black	10	0	0	10	10	100.0
American Indian or Alaskan Native	2	0	0	2	2	100.0
Asian	23	0	0	23	23	100.0
Hispanic or Latino	28	0	0	28	28	100.0
Multi-race, non-Hispanic or Latino	10	0	0	10	10	100.0
White	262	0	0	262	262	100.0

Annual Town Election March 31, 2015

PRECINCT											
SELECTMAN	1	2	3	4	5	6	7	8	TOTALS	% OF VOTE	SELECTMAN
BLANKS	69	114	61	117	42	95	73	82	653	17%	BLANKS
RICHARD M. VAILLANCOURT	159	269	144	218	84	209	113	145	1341	36%	RICHARD M. VAILLANCOURT
PHIL DeCOLOGERO	169	259	129	196	78	156	83	118	1188	32%	PHIL DeCOLOGERO
STAN NOVAK	61	104	62	75	42	82	67	93	586	16%	STAN NOVAK
WRITE-INS	0	0	0	0	0	0	0	0	0	0%	WRITE-INS
PRECINCT TOTAL	458	746	396	606	246	542	336	438	3768	100%	PRECINCT TOTAL

PRECINCT											
SCHOOL COMMITTEE	1	2	3	4	5	6	7	8	TOTALS	% OF VOTE	SCHOOL COMMITTEE
BLANKS	93	151	71	115	53	99	64	78	724	19%	BLANKS
ANDREW P. McDEVITT	124	200	124	180	65	152	101	132	1078	29%	ANDREW P. McDEVITT
MARK F. SVENDSEN	112	186	84	133	59	155	100	122	951	25%	MARK F. SVENDSEN
DAVID M. TORRISI	129	209	117	178	69	136	71	106	1015	27%	DAVID M. TORRISI
WRITE-INS	0	0	0	0	0	0	0	0	0	0%	WRITE-INS
PRECINCT TOTAL	458	746	396	606	246	542	336	438	3768	100%	PRECINCT TOTAL

PRECINCT											
TOWN MODERATOR	1	2	3	4	5	6	7	8	TOTALS	% OF VOTE	TOWN MODERATOR
BLANKS	44	68	27	50	35	69	45	56	394	21%	BLANKS
MARK S. DiSALVO	185	305	171	253	88	202	123	163	1490	79%	MARK S. DiSALVO
WRITE-INS	0	0	0	0	0	0	0	0	0	0%	WRITE-INS
PRECINCT TOTAL	229	373	198	303	123	271	168	219	1884	100%	PRECINCT TOTAL
PRECINCT											
NORTH ANDOVER HOUSING AUTHORITY	1	2	3	4	5	6	7	8	TOTALS	% OF VOTE	NORTH ANDOVER HOUSING AUTHORITY
BLANKS	49	83	31	68	39	92	56	59	477	25%	BLANKS
EDWARD R. CAPODILUPO	180	290	169	233	84	179	112	160	1407	75%	EDWARD R. CAPODILUPO
WRITE-INS	0	0	0	0	0	0	0	0	0	0%	WRITE-INS
PRECINCT TOTAL	229	373	200	301	123	271	168	219	1884	100%	PRECINCT TOTAL

Total Number of Registered Voters 18,919

Percent of Registered Voters Voting Today 10%

Annual Town Meeting Minutes

May 19, 2015

Town Moderator Mark S. DiSalvo called the 2015 Annual Town Meeting to order at 7:04 p.m. in the Auditorium of the North Andover High School 430 Osgood Street on Tuesday May 19, 2015. The Town Moderator recognized members of North Andover Athletic Teams who led the audience in the Pledge of Allegiance. Moderator DiSalvo introduced Board and Committee members and participating Town Officials. He summarized the Simplified Rules of Parliamentary Procedure which are printed in their entirety in the Report of the Finance Committee. There is no quorum requirement for any Annual or Special Town Meeting as established by Article 14 of the 1999 Annual Town Meeting and approved by the Attorney General on July 27, 1999. Moderator DiSalvo explained the voting procedure using raised cards for voting and the implementation of the bylaw allowing votes to be declared by the Moderator for issues requiring a two-thirds vote at each session. Check lists showed a total of 255 voters present.

A motion was made by Richard M. Vaillancourt, 454 Stevens Street, Chairman of the Board of Selectmen, seconded by Rosemary Connelly Smedile 65 Greene Street, to dispense with the reading of the warrant, and with the reading of the constable's return of service of that warrant and further moved that the Moderator not be required to read articles of the warrant verbatim, but to be allowed to refer to articles by number and by subject matter; and further that amendments need not be read but are to be voted upon as displayed or otherwise provided, in print, to the voters in attendance. Motion unanimously approved.

The 2015 Annual Town Meeting dissolved by unanimous vote at 9:00 p.m. on May 19, 2015 with all articles voted.

Article 1. Reports of Special Committees.

UNANIMOUS VOTE to hear and/or accept the reports of any appointed special committees, if any. No reports given.

Article 2. Reports of Receipts and Expenditures.

UNANIMOUS VOTE to accept the reports of receipts and expenditures as presented by the Selectmen in the 2014 Annual Town Report.

Article 3. Authorization of the Town Manager or Superintendent of Schools Regarding Contracts in Excess of Three Years.

UNANIMOUS VOTE in accordance with the provisions of Massachusetts General Laws Chapter 30B, §12(b), to authorize the Town Manager or the Superintendent of Schools to solicit and award contracts, except personnel contracts, for terms exceeding three years, including any renewal, extension or option, provided in each instance the longer term is determined to be in the best interest of the Town by vote of at least four (4) members of the Board of Selectmen or the School Committee, as appropriate.

Article 4. Authorization to Accept Grants of Easements.

UNANIMOUS VOTE to authorize the Board of Selectmen and the School Committee to accept grants of easements for access, water, drainage, sewer, roadway and utility purposes or any public purpose on terms and conditions the Board and Committee deem in the best interest of the Town.

Article 5. Authorization to Grant Easements.

UNANIMOUS VOTE to authorize the Board of Selectmen and the School Committee to grant easements for access, water, drainage, sewer, roadway and utility purposes or any public purpose on terms and conditions the Board and Committee deem in the best interest of the Town.

Article 6. Easements for Safe Routes to Schools Project.

UNANIMOUS VOTE to authorize the Board of Selectmen to acquire by purchase, gift, and/or eminent domain, on such terms and conditions as the Board of Selectmen deem appropriate, permanent and/or temporary easements on the parcels of land referenced below for public way purposes, including, without limitation, the construction, alteration, maintenance, improvement, repair and/or replacement of rights of way, driveways, sidewalks, ramps, parking areas, utilities and/or traffic control devices, and related improvements, to be undertaken in connection with the Safe Routes to School Project, and for all uses and purposes incidental thereto, said easements to be in, on and under the parcels of land on or near Massachusetts Avenue, Greene Street, and Parker Street and shown on a plan entitled "Plan of North Andover Middle School Massachusetts Avenue - Greene Street - Parker Street in the Town of North Andover Essex County," a copy of which is on file with the Town Clerk, as the same may be amended from time to time, and, further, to see if the Town will vote to raise and appropriate, transfer from available funds, accept gifts and/or borrow a sum of money for the foregoing purposes and any costs related thereto, and to authorize the Board of Selectmen to enter into all agreements and take all related actions necessary or appropriate to effectuate the purposes set forth herein, and, further, to dedicate to, and transfer to the Board of Selectmen for, public way purposes, including, without limitation, the purpose of constructing and maintaining sidewalks, ramps and other Project improvements, a portion of the property located at 495 Main Street and shown on the aforesaid plan.

Article 7. Amend General Bylaws – Chapter 44 Public Meetings.

UNANIMOUS VOTE to amend the Town of North Andover General Bylaws, Chapter 44 – Public Meetings, to delete strike through and add bold and underlined as follows:

CHAPTER 44 – Public Meetings

44-1 Televising of Board Meetings

All meetings of the Planning Board, Zoning Board of Appeals, Board of Health, Conservation Commission, Board of Selectmen, and School Committee **and Finance Committee** shall be broadcast live over the local cable television network unless emergency or operational or technical conditions suspend the requirements hereof, as determined by the Town Manager or the Manager's designee. All such meetings shall occur in the Town Hall second floor meeting room or other locations as determined by the Town Manager or the Town Manager's designee. Notice of all such meetings shall be posted in accordance with the requirements of the Open Meeting Law, Massachusetts General Law, Chapter 30A, Sections 18-25 and shall contain the date, time and place of such meeting and a listing of topics that the chair reasonably anticipates will be discussed at the meeting, including application names. If there is a scheduling conflict with the use of the meeting room, the Town Manager or the Manager's designee, shall have the discretion to determine which Board shall have use of the room. Nothing contained in this bylaw shall be so construed as to conflict with the requirements of the Open Meeting Law, M.G.L. 30A, Sections 18-25. A violation of this bylaw or a failure to comply with this bylaw shall not be grounds for challenging or invalidating any actions taken

at any meeting of the Planning Board, Zoning Board of Appeals, Board of Health, Conservation Commission, Board of Selectmen, or School Committee or Finance Committee.

Approved By Attorney General September 11, 2015

Article 8. Amend General Bylaws – Chapter 88 Dogs.

UNANIMOUS VOTE to amend the Town of North Andover General Bylaws, Chapter 88 – Dogs, as follows:

Section 88-1 is hereby amended by deleting ‘175’ and inserting ‘174E’ in place thereof so that Section 88-1 shall read

88-1 Animal Control

Pursuant to the authority set forth in MGL Chapter 140, §§136A to 174E, the following bylaw is enacted for the regulation of dogs in the Town of North Andover.

Section 88-2.2 is hereby amended by deleting ‘175’ and inserting ‘174E’ in place thereof so that Section 88-2.2 shall read

88-2.2 Destruction

An order by the Hearing Authority that a vicious dog be destroyed in accordance with MGL Chapter 140, §§136A to 174E and Massachusetts Society for the Prevention of Cruelty to Animals guidelines.

Section 8-2.15 is hereby deleted and the following Section inserted in place thereof

88-2.15 Vicious Dog

The term “vicious dog” shall have the same meaning as the term “dangerous dog” as defined in MGL Chapter 140, §136A.

Approved By Attorney General September 11, 2015

Article 9. Amend Zoning Bylaw – Section 18: Downtown Overlay District.

UNANIMOUS VOTE to amend the Town of North Andover Zoning Bylaw, Section 18 – Downtown Overlay District, by making the following amendments to Subsections 18.1 and 18.7 (by identifying text which is deleted as strikethrough and text added as underlined), and by adding a new sub-district under new Subsection 18.8 “Downtown Overlay District – Sub-district A: Historic Mill Area,” as follows:

Amend Zoning Bylaw Subsection 18.1 by deleting the phrases “...including the mill buildings,...” and “...through Annual Town Meeting 2008...” in the first paragraph, so that Subsection 18.1 reads as follows:

Section 18 Downtown Overlay District

18.1 Location and Applicability

The Downtown Overlay District shall consist of the area delineated on the Town’s zoning map, but shall include the area along Main Street from Sutton Street to Merrimac Street; Water Street from the intersection with Main Street to High Street, ~~including the mill buildings~~; portions of Waverley Road, First Street and Second Street; Ellis Court; School Street; Saunders Street; and Cleveland Street. Said area is described on the Town of North Andover Zoning Map as amended ~~through Annual Town Meeting 2008~~.

An application for the Downtown Overlay District shall be in accordance with the standards set forth in this section and shall be reviewed by the Planning Board, as Special Permit Granting Authority, or

otherwise. An application for the Downtown Overlay shall be deemed to satisfy the requirements for Site Plan Review as described in Section 8.3.

Amend Subsection 18.7 (“Waivers”) by deleting the text therein, and renumbering Subsection 18.8 as new Subsection 18.7, and by deleting the phrase “..., unless waived in accordance with

Section 18.7.” so that new Subsection 18.7 reads as follows:

18.7 Waivers

~~Where it can be demonstrated to the Planning Board, as the Special Permit Granting Authority, that the following waivers are consistent with one or more of the purposes of this District, as defined in Section 18.0, would enhance or facilitate the planning, design, and/or layout of existing or new structures or uses permitted within the District, and would not interfere or negatively impact abutting properties, the Planning Board may grant those waivers:~~

- ~~a. Waivers of limited dimensional, design, or other criteria set forth in Sections 18.3 through 18.6 of the Downtown Overlay District;~~
- ~~b. Waivers of other limited dimensional, design, density, or other criteria under the Zoning Bylaw;~~
- ~~c. Notwithstanding anything to the contrary in the Zoning Bylaw, no waiver shall be granted for building height in excess of the building height existing on the parcel as of the date of the adoption of this amendment, or for floor area ratio in excess of 2.0;~~
- ~~d. The Planning Board’s authority to grant waivers as described herein shall expire two (2) years after the date of adoption of this Section 18.7.~~

18.8 Relationship to Underlying Zoning:

~~The Downtown Overlay District is an overlay district superimposed on all underlying zoning districts. Within the Downtown Overlay District, the regulations for use, dimension, and all other provisions of the Zoning Bylaw governing the underlying zoning district(s) shall remain in full force, except for those sites undergoing development in accordance with Section 18. To the extent that there is a conflict between the provisions of the underlying zoning and the provisions of the Downtown Overlay District, the provisions of Section 18 shall govern, unless waived in accordance with Section 18.7.~~

Amend Section 18 by creating a new sub-district as a new Subsection 18.8 (“Downtown Overlay District—Sub-district A: Historic Mill Area”) described as follows:

Section 18.8 Downtown Overlay District—Sub-district A: Historic Mill Area

18.8.0 Purpose.

The purpose of Sub-district A is to:

- a) Encourage a diverse mix of residential, business, commercial, office, governmental, institutional, entertainment and other uses for workers, visitors, and residents;
- b) Not detract from the livability and aesthetic qualities of the environment.
- c) Promote more efficient use of land while protecting natural resources, such as water resources, wetlands, floodplains, and wildlife.
- d) Permit the preservation of existing structures through conversion to new uses in a manner that maintains and enhances the visual character and architectural scale of existing development within the district;
- e) Permit an appropriate density of new development to support a vibrant, mixed-use area;
- f) Encourage first floor retail/restaurant space
- g) Encourage an active streetscape through mixed-uses and high quality design;
- h) Encourage a pedestrian and bicycle friendly environment;
- i) Minimize visual and functional conflicts between residential and nonresidential uses within and abutting the district.
- j) Encourage consolidation of curb cuts for vehicular access and promote more efficient and

economical parking facilities.

- k) Allow for more compact development than may be permitted in other zoning districts to reduce the impacts of sprawl;

18.8.1 Establishment

Sub-district A - Historic Mill Area of the Downtown Overlay District is established as a separate and independent sub-district from the Downtown Overlay District provisions under Sections 18.0 through 18.7 of the Zoning Bylaw, and this Section 18.8 is superimposed over all underlying zoning districts established by the Zoning Bylaw now or hereafter applicable to the properties historically known as the former Davis & Furber Machine Company, and is shown as Downtown Overlay District: Sub-district A on the Zoning Map prepared by the North Andover Division of Community Development. This map is hereby made a part of the Zoning Bylaw and is on file in the Office of the Town.

18.8.2 Boundaries

Boundaries of the Downtown Overlay District – Sub-district A: Historic Mill Area are shown on the Zoning Map and shall include all of the real property as identified on the FY 2014 Town of North Andover Assessor's Map: Map 54 Parcel 1, Map 53 Parcel 25, Map 68 Parcel 10, Map 68 Parcel 1, and Parcel 3, as described by deed in Book 10601, Page 340 for the former rail road right of way, as more particularly shown on the Zoning Map.

18.8.3 Applicability and Relationship to Underlying Zoning

An application for a proposed project located within Sub-district A–Historic Mill Area may either use the standards in the underlying zoning district in their entirety, or those standards contained within Section 18.8 in their entirety. For those sites for which an application is filed in accordance with Section 18.8, review shall be in accordance with the standards set forth in this Section 18.8 by the Planning Board, as Special Permit Granting Authority, or otherwise. If an applicant elects to file an application for a project in accordance with the requirements of this Section 18.8, then to the extent that there is any conflict between the provisions set forth in this Section 18.8 and any other provisions of the Zoning Bylaw, the terms of this Section 18.8 shall govern.

18.8.4 Permitted Uses

The following uses are permitted, as more specifically described below:

18.8.4.1 The following uses shall be permitted by right in the Sub-district A:

- a) Detached one- or two-family residential structures;
- b) Multifamily dwellings, up to 6 dwelling units;
- c) Townhouses;
- d) Mixed-use structures (for permitted uses);
- e) Retail sales establishments, excluding automobile service station, car wash, body shop, automobile repair shop, or sales of motor vehicles, of no more than 15,000 square feet of floor area;
- f) Restaurant, café, or other establishment serving food and/or beverages, establishments of no more than 15,000 square feet of floor area;
- g) Business Office ((a primary use consisting of office activities of any type, including business and financial office activities (including banks and financial institutions) and professional office activities, excluding automobile service station, car wash, body shop, or automobile repair shop));
- h) Professional Office (A primary use consisting of office activities by a doctor, dentist, architect, lawyer, engineer or other professional person or persons);
- i) Day care center;
- j) Hall, club, theater, or other place of assembly, establishments of no more than 15,000 square feet of floor area;
- k) Place of recreation;

- l) Veterinary hospital;
- m) Research and development facilities;
- n) Light manufacturing, including fabrication, processing, finishing, assembly, packing or treatment of articles or merchandise, craft brewing or food processing, provided such uses are conducted solely within a building;
- o) Printing and reproduction;
- p) Educational uses exempt from zoning prohibition by General Laws Chapter 40A, Section 3.
- q) Religious uses exempt from zoning prohibition by General Laws Chapter 40A, Section 3.
- r) Art gallery or museum;
- s) Public building or use and public service corporations;

18.8.4.2. The following uses shall be permitted by special permit by the Planning Board in the Sub-district A:

- a) Multifamily dwelling, seven or more units;
- b) Mixed-use structures for uses allowed by special permit.
- c) Independent elderly housing, congregate housing, assisted living, nursing care facilities;
- d) Retail sales, establishments excluding automobile service station, car wash, body shop, automobile repair shop, or sales of motor vehicles, of more than 15,000 square feet of floor area;
- f) Restaurant, café, or other establishment serving food and/or beverages, establishments of more than 15,000 square feet of floor area;
- g) Hall, club, theater, or other place of assembly, establishments of more than 15,000 square feet of floor area;
- h) Hotel or Motel;
- i) Hospital;
- j) Warehousing and wholesaling;
- k) Pet day care or boarding;
- l) Any drive-through facility accessory to an above use;
- m) Free-standing automated teller machine;
- n) Photovoltaic power generation systems (for on-site use only, not for resale);
- o) Public garage;
- p) Any accessory use customarily incident to any of the above permitted uses, provided that such use shall not be noxious or dangerous to the neighborhood

18.8.4.3 Other uses. All other uses are hereby expressly prohibited except uses which are substantially similar in character to the permitted uses enumerated above, as determined by the Planning Board, shall be treated as requiring a Special Permit to be issued by the Planning Board.

18.8.5 Design Guidelines

Redevelopment and new construction within the Overlay District shall be designed in a fashion to achieve one or more of the purposes of Sub-district A described in Section 18.8.0. The following guidelines are intended to aid the Planning Board in its review of projects during both the Master Plan and Definitive Plan review stages as described under Section 18.8.10, and are intended to be flexible guidelines and not rigid standards which the Planning Board may consider:

- a) Where appropriate, new buildings should be oriented to face the public way, set close to the sidewalk, with parking located to the side or behind the buildings rather than between the building and the street.
- b) Buildings shall be oriented to encourage convenient pedestrian and bicyclist access and public activity in visible areas.
- c) Large blank walls should be avoided. New buildings should be divided visually into sub-elements, where appropriate, to express the functional diversity within the building; similarly, commercial ground floors of new buildings should emphasize transparency similar to traditional store fronts or the existing mill buildings.

- d) New curb cuts on existing public ways shall be minimized.
- e) Where possible, it is preferable to have underground utilities for new and redeveloped buildings.
- f) Where possible historic features of historic buildings shall be preserved.
- g) Signage and lighting shall be sufficient and consistent with the proposed use.
- h) New development shall transition in height, density, scale, intensity, and use from the existing mill buildings to the surrounding neighborhoods abutting the Sub-district A.

18.8.6 Dimensional and Density Standards

18.8.6.1 Setbacks.

- (a) Existing Buildings and Structures. In keeping with the purpose of Sub-district A it is recognized that the existing buildings have been developed with distinct development patterns to match the traditional needs of the lots and buildings that have made the Historic Mill Area unique. Building setbacks within the Sub-district A for buildings and structures in existence as of the date of adoption of this Section 18.8 shall include a minimum front yard setback, side yard setback, and rear yard setback of zero.
- (b) New buildings and Structures, Additions to Existing Buildings and Structures. New buildings and structures, as well as additions to those buildings and structures existing as of the date of adoption of this Section 18.8, shall be subject to the following minimum dimensional requirements:
 - (i) A 35-foot setback of a new building from the Sub-district A boundary is required when the Sub-district A lot line abuts a residential zoning district located outside Sub-district A, subject to Section 18.8.6.2 below. The first 15 feet of the setback abutting the residential zoning district shall remain open and green, be suitably landscaped, unbuilt upon, unpaved, and not parked upon.
 - (ii) A 20 foot setback is required from any side or rear lot line for all newly constructed buildings, where not abutting a residential zoning district located outside Sub-district A, subject to Section 18.8.6.2 below.
 - (iii) With regard to additions to those buildings and structures existing as of the date of adoption of this Section 18.8, only the new portions of such additions shall be subject to the setback requirements under Section 18.8.6.1(b).

18.8.6.2 Building Height

- (a) Existing Buildings and Structures. The building height of buildings and structures in existence as of the date of adoption of this Section 18.8 shall be deemed to be compliant with building height requirements under this Zoning Bylaw. Any increase in building height for existing buildings and structures in existence as of the date of adoption of this Section 18.8 shall require a Special Permit issued by the Planning Board.
- (b) New buildings and Structures; Additions to Existing Buildings and Structures. New buildings and structures, as well as additions to buildings and structures in existence on or before the date of adoption of this Section 18.8, shall be limited to 55 feet in building height by right where located within the underlying I-S district, or within 100 feet of the underlying I-S zoning district boundary by special permit; and where such buildings or structures are not located within the underlying I-S district or within 100 feet of the underlying I-S zoning district boundary,, the height limit shall be 35 feet by right, and such building or structure having a Building Height in excess of 35 feet but not more than 55 feet, shall be permitted only by special permit.

Notwithstanding anything to the contrary in this Section 18.8, new buildings or structures, as well as additions to buildings and structures constructed after the date of the adoption of this Section 18.8, may be allowed between 55 feet and 70 feet in building height by special permit issued by the Planning Board , provided that a portion of such structure's occupiable space is located within 50 feet of a structure existing on

or before the adoption of this Section 18.8, and that no part of such structure is located more than 200 feet from such an existing structure.

18.8.6.3 Floor Area Ratio

A maximum Floor Area Ratio of 1.0 shall be permitted by right. By special permit, the Planning Board may permit an FAR of up to 2.0, where it can be shown to be consistent with the purposes of Section 18.8.0. For the purposes of calculating FAR, the lot area shall be the sum of all parcels included as part of a Master Plan per Section 18.8.10 and located within the Overlay; parcels included may be separated by public rights of way or other privately held land, and are not required to be held in common ownership.

18.8.6.4 Extension, Alteration and Reconstruction of Existing Buildings and Structures

Notwithstanding any provisions of this Zoning Bylaw to the contrary, buildings and structures existing as of the date of adoption of Section 18.8 may be extended or altered or reconstructed, provided, that no such extension or alteration or reconstruction shall be permitted unless there is a finding by the Planning Board, as the special permit granting authority, that such change, extension or alteration or reconstruction shall not be substantially more detrimental than the existing structure to the neighborhood and shall be consistent with the purposes of Section 18.8.

18.8.7 Site Design Guidelines

To encourage good site design, the Planning Board shall encourage the use of the following site design and architectural features, where appropriate, in reviewing an Application.

18.8.7.1 Urban Design Features

- a. Alleys, parks or open spaces, patios, sidewalks and planting strips, outdoor seating areas for private commercial use
- b. Building type (for example townhouse, storefront retail)
- c. Signage

18.8.7.2 Architectural features for any work consisting of an increase in floor area through either the placement or construction of a new principal structure, a new accessory structure, an addition, alteration or rehabilitation to a principal or accessory structure, a conversion of one use type to another, or any new use or structure requiring a curb cut:

- a. Building facades (new and rehabilitation & repair)
- b. Exterior features
- c. Building height, setbacks and build-to-lines
- d. Exterior materials, doors and windows
- e. Exterior colors
- f. Signage, flags and banners
- g. Sign design standards as applicable and consistent with Section 6 of this Bylaw
- h. Exterior illumination

18.8.7.3 On-site and off-site improvements

- a. Fences and walls
- b. Patio, square, or plaza
- c. Landscaping with areas and plants noted
- d. Special pavement and sidewalk treatment
- e. Setbacks and sidewalk and utility easements
- f. Street and parking lot lighting
- g. Street furniture, trash containers, benches news racks, kiosks
- h. Parking standards including shared parking agreements
- i. Refuse storage and access
- j. Traffic circulation plan and street improvements as needed to relieve excessive congestion

18.8.8.8 Site and Design Standards.

The site and design criteria within this Section shall be applicable to all residential projects greater than six (6) units, mixed use and nonresidential property.

18.8.8.8.1 Site Access

- a. Curb cuts within two hundred (200) feet of intersections shall be minimized.
- b. Curb cuts greater than thirty (30) feet and driveway openings greater than twenty (20) feet shall be minimized. Full width curb cuts are prohibited.

18.8.8.2 Parking. Existing and proposed structures and uses within the Overlay shall provide adequate off street parking for activities within the development in accordance with the standards described in Section 8.1. The Planning Board may waive any requirements of Section 8.1, including, but not limited to, required ratios, design standards, or location where it can be shown to further the Purpose of this Section in accordance with the review procedures of Section 18.8.8. Street parking within 100 yards of a parcel shall be deemed included in the parking count for the property. In addition, leased or owned parking within 400 yards of the property line may be used to meet the parking requirement by special permit.

As part of its review of the Master Plan and subsequent Definitive Plan(s), the Planning Board shall review proposed parking ratios, locations, and design standards to ensure that adequate parking is provided and that the Purposes of Section 18.8.0 and the Guidelines of Section 18.8.5 are being satisfied. In making this determination, the Planning Board shall consider opportunities for shared parking for visitors to multiple uses on site, uses operating at different times of the day or week, and the presence of public on-street parking.

18.8.8.3 Bicycle Accommodation. Bicycle parking shall be provided in safe locations, and conveniently accessible to entries and/or sidewalks. An appropriate number of spaces shall be determined as part of Master Plan and subsequent Definitive Plan review.

18.8.8.4 Pedestrian Accommodation. Parking, sidewalks, and landscaping areas shall provide for safe and convenient pedestrian circulation through the site, to buildings, parking areas, and public ways.

18.8.8.5 Landscaping and Appearance. Redeveloped or newly developed areas of the site shall be landscaped in an attractive way that enhances the character of the development as a downtown, mixed-use neighborhood.

- a) Any required setback from a residential property, per Section 18.8.6.1.a) shall be screened by a solid fence or tight landscaping having a height of no less than five (5) feet unless such screening would interfere with sight distance. A chain link fence shall not be permitted.
- b) New parking areas with more than 20 parking spaces shall devote at least 5% of the interior of parking area to landscaping. In addition a minimum of 1 shade tree shall be planted for every six parking spaces built. In the event planting trees would not be practical amid the parking area, planting of shade trees elsewhere on the property shall satisfy this requirement.
- c) A minimum of 1 shade tree shall be planted for every 40 feet of street frontage or fraction thereof in appropriate locations.
- d) Where appropriate, benches, planters, outdoor seating, and other amenities shall be installed to encourage pedestrian use.

18.8.8.6 Waiver. The preceding provisions under this Section 18.8.8 may be waived as a part of a Sub-district A special permit issued by the Planning Board where such waiver furthers one or more of the Purposes of Section 18.8.0

18.8.8.7 Noise. As a mixed-use center containing office, retail, and light industrial uses among others, it is acknowledged that tenants as well as mechanical systems may emit noise. All development shall comply with applicable state air pollution control regulations and policies in connection with sound levels.

18.8.8.8 Light. The site shall be adequately lit to provide for safety and visibility. Lighting instruments shall be oriented or shielded such that they do not have spillover of greater than one foot candle onto abutting properties or interfere with public ways.

18.8.9 Sign Master Plan

Notwithstanding anything to the contrary in this Bylaw, and as part of Definitive Plan review, the Planning Board may approve a comprehensive signage master plan for the project which, if approved by the Planning Board, may allow for signage which deviates from the specific sign requirements of the Zoning Bylaw, including Section 6.6, provided that such signage would, in the opinion of the Planning Board, be consistent with the general purpose and intent of Section 18.8.0. The signage master plan proposal should show proposed sizes, locations, and general design approach for signs, banners, awnings, etc. in such detail as the Planning Board may deem reasonably necessary to make a decision to approve such master plan. Following approval of a signage master plan as part of any Definitive Plan, signs may be installed, removed, and replaced with the approval of the Building Inspector, provided that such signage conforms to the signage plan approved in the Definitive Plan decision.

18.8.10 Plan Review and Approval Process

The review and approval process for an application for approval of a project under this Section 18.8 shall be governed by the following review procedures:

18.8.10.1 Uses which are permitted by right are allowed within buildings and structures in existence as of the date of adoption of this Section 18.8, subject to building code and other applicable Town bylaw and regulations.

18.8.10.2 Approval of a use requiring a special permit, and/or approval of a new structure or expansion of an existing structure, shall require a special permit, subject to the following procedure:

18.8.10.3 Pre-Application Conference. Prior to the submission of Preliminary Master Plan or Definitive Plan under Sub-district A, the applicant, at its option, may confer with the Planning Board and Town Planning Staff to obtain information and guidance before beginning the formal application process.

As a part of the Pre-Application Conference, the Planning Board may agree to waive the Preliminary Master Plan process described in Section 18.8.10.4 below and proceed directly with the filing of a Definitive Plan if it deems that the submission of a Master Plan is unnecessary, due to the minor nature of the proposal.

18.8.10.4 Submission and Approval of Preliminary Master Plan. The applicant shall file, if not waived by the Planning Board as provided above, a Preliminary Master Plan accompanied by an application for Preliminary Master Plan Review with the Planning Board, and the Board shall schedule a meeting at a regularly scheduled Board meeting which shall be noticed in accordance with Section 11 of M.G.L. c. 40A. A copy of the Preliminary Master Plan and the above form shall also be filed in the Office of the Town Clerk. The Planning Board shall review and determine whether the proposed project is consistent with the objectives articulated under Section 18.8.0 within 60 days of receipt of the plan by the Town Clerk. In approving a Master Plan, the Planning Board may suggest modifications and changes in anticipation of the filing of the Definitive Plan(s).

A Preliminary Master Plan shall include the following components:

- a) A locus plan, showing the names of abutters, land uses, and location and width of all adjacent streets.
- b) An existing site plan, showing existing buildings or structures, parking and circulation areas, open space, landscaping and topography, easements, public areas within or next to the development, and lot boundaries and areas.
- c) A proposed conceptual site plan, showing, in a general manner, all proposed buildings or structures, parking and circulation areas, open space, landscaping and topography, easements, public areas within or next to the development, proposed lot boundaries and areas, and the proposed system of drainage, including adjacent existing natural waterways.
- d) A narrative including: a description of the overall concept for the Master Plan, including general building locations, site improvements, and land uses, and demonstrating how the Plan conforms to the Purpose of this Section; a description of the natural features of the site, including wetlands, floodplains, slopes over 12%, soil conditions, and other features requested by the Planning Board; and a description of the neighborhood in which the tract lies, including environment, traffic, utilities, and other public facilities and the general impact of the proposed Master Plan upon the Town.

18.8.10.5 Submission and Approval of Definitive Plan. Following approval of a Preliminary Master Plan, the expiration of the 60-day period above without Planning Board action on the Preliminary Master Plan, or waiver of the same as provided above, the applicant shall file a Definitive Plan accompanied by an application for Definitive Plan Review prior to an application for a building permit. Review of a Definitive Plan shall follow the procedures of Section 18.8.10.9 and Section 9 of M.G.L. c. 40A. An application for Definitive Plan approval shall include the following components unless waived by the Planning Board:

- a. A locus plan showing the names of abutters, land uses, and location and width of all adjacent streets.
- b. Landscape plans showing proposed plantings.
- c. Engineered drawings showing proposed utilities, storm water management, vehicular circulation, parking, and other requirements as appropriate.
- d. Proposed sign master plan, as described in Section 18.8.9.
- e. A narrative describing how the proposed building(s), anticipated land uses, site design, parking, circulation, landscaping and other features conform to the Master Plan Special Permit and the Purpose of this Section.
- f. It shall be drawn at a scale of one-inch equals forty feet unless another scale is requested and found suitable by the Planning Board.
- g. The Plan shall be prepared by a land surveyor, professional engineer, or architect.
- h. The scale, date, and north arrow shall be shown.
- i. The plan shall be certified by the land surveyor doing the boundary survey and the professional engineer or architect on the location of the buildings, setbacks, and all other required dimensions, elevations, and measurements and shall be signed under the penalties of perjury.
- j. The corner points of the lot and change of direction of lines shall be marked by stone monuments, cut in stone, stake and nail, iron pin, or other marker and shall be so marked.
- k. Lot number, dimensions of lot in feet, size of lot in square feet, and width of abutting streets and ways.
- l. Easements within the lot and abutting thereon.
- m. The location of existing or proposed buildings on the lot.
- n. The location of existing wetlands, water bodies, wells, 100 year floodplain elevation and other natural features requested by the Planning Board.
- o. The dimensions of the existing and proposed buildings in feet.

- p. The distance of existing and proposed buildings from the lot lines and the distance between buildings on the same lot.
- q. Percent of the lot coverage.
- r. Average finished grade of each proposed building.
- s. The elevation above average finished grade of the floor and ceiling of the lowest floor of each proposed building.
- t. Existing and proposed topographical lines at two (2) foot intervals.
- u. Height of all proposed buildings, above average finished grade of abutting streets.

18.8.10.6 Phasing. In the event of phased development of an approved Master Plan, the applicant may divide the proposed development described in the Master Plan into several phases which shall be reviewed either through a single combined Definitive Plan, or through a series of separate Definitive Plans that address the proposed area of work.

18.8.10.7 Consolidation of Review. An application for approval under this Section 18.8 is also intended to consolidate review and approval under other applicable provisions of this Zoning Bylaw as a single special permit review process with a single special permit issued by the Planning Board. To this end, if an application for approval under this Section 18.8 also triggers review under Section 8.1 (Parking), and/or 8.3 (Site Plan Approval) and/or Section 6.6 (signs), the Planning Board shall consolidate its review such that an application filed under Section 18.8 for a Sub-district A special permit shall be deemed to satisfy the requirements under Sections 8.1, 8.3, and 6.6, and the Applicant shall also use the standards under said Sections 8.1, 8.3 and 6.6 as guidance and without the need to file for separate zoning relief under said Sections, and the conditions and requirements under Sections 8.1 and/or 8.3 and/or 6.6 shall be incorporated into the Sub-district A special permit review and approval process.

18.8.10.8 Peer Review. The applicant shall be required to pay for reasonable consulting fees to provide peer review of the Definitive Plan Approval application. Such fees shall be held by the Town in a separate account and used only for expenses associated with the review of the application by outside consultants, including, but not limited to, attorneys, town counsel, engineers, urban designers, housing consultants, planners, and others. Any surplus remaining after the completion of such review, including any interest accrued shall be returned to the applicant.

18.8.10.9 Procedures

- a. The Sub-district A Definitive Master Plan approved by the Planning Board under Section 18.8 becomes the official development plan for a site for which an application for Sub-district A Definitive Master Plan Special Permit is filed. Town permits shall be issued or withheld based upon compliance with the approved Definitive Master Plan. The approved Definitive Master Plan is legally binding and can only be changed or adjusted in compliance with the provisions contained in Section 18.8.10.10 (Revisions to Approved Definitive Master Plans).
- b. A Definitive Master Plan approval is by Special Permit issued by the Planning Board, as special permit granting authority, and shall be noticed in accordance with Sections 9 and 11 of M.G.L. c.40A.
- c. An applicant for a Sub-district A Definitive Master Plan Special Permit shall file with the Planning Department an application form, fee, the Definitive Master Plan, and any additional information as may be required as described herein or as provided in regulations and/or instructions of the Planning Board. Once the application is deemed complete, the Planning Department will forward one copy of the application to the Town Clerk. An application will not be deemed complete until all required information and fees are submitted. The time periods set forth in this Zoning Bylaw and M.G.L. c..40A will not start until the application has been deemed complete and submitted to the Town Clerk. The application shall also be subject to the procedures and

- requirements for special permits under Sections 10.3 and 10.31 of the Zoning Bylaw.
- d. The Planning Board shall have the authority to require that the applicant pay for necessary professional services required to adequately review and analyze the contents of any Definitive Master Plan or technical review requested by the Board.

18.8.10.10 Revisions to Approved Definitive Master Plan

- (a) Any revisions to a development that has secured Sub-district A Definitive Master Plan approval shall be submitted to the Town Planner for review. No revisions shall be approved until the Town Planner receives three (3) copies of the revised plan and the revisions placed on the plan fall into the following categories:
- (i) A change of location and layout of any parking area(s), signs, storage or accessory buildings, provided that no Town Bylaws are violated by the change;
 - (ii) The change in the proposed landscaping plan which does not violate any Town Bylaw;
 - (iii) A change of egress and ingress provided the same is in compliance with Town Bylaws and the requirements of the Commonwealth; or,
 - (iv) Such other adjustments deemed minor by the Town Planner with consent by the Planning Board.
- (b) The revisions cited above may be completed without further approval by the Planning Board, upon approval by the Town Planner. The Town Planner may determine that the revisions as shown do not fall into the categories outlined in this subsection, and that the proposed revisions are in fact substantial and call for a materially different site plan than approved by the Planning Board in that changes are called for in the type, location and manner of the facilities and site improvements to be constructed and shown in the approved Definitive Master Plan.
- (c) If the revisions are determined to be substantial and materially different by the Town Planner, the Town Planner shall direct the applicant to resubmit the site plan to the Planning Board for approval in accordance with the provisions of this section.

18.8.10.11 Standards for Approval – Special Permit.

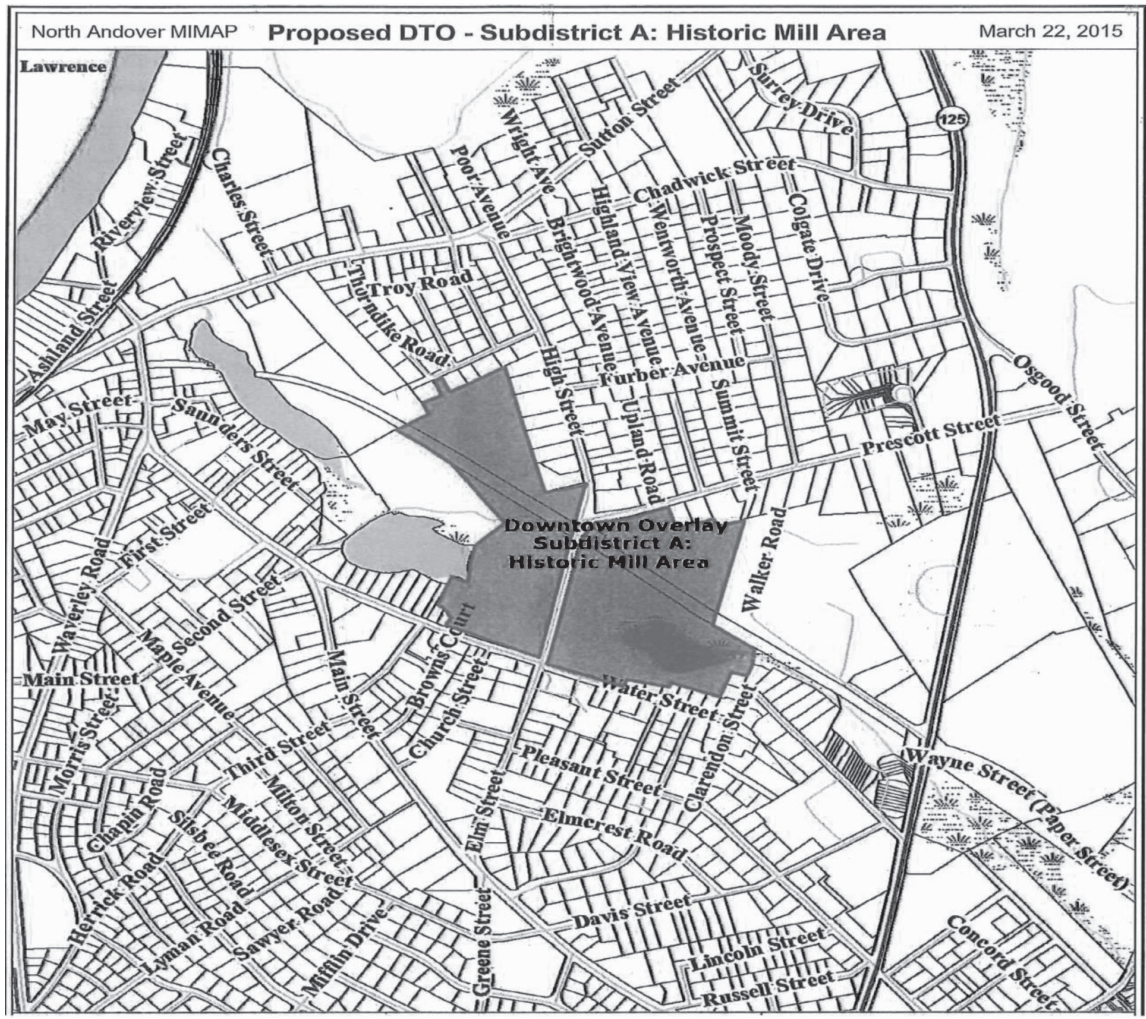
In addition to satisfying the specific criteria for the grant of a special permit contained in Section 10.31 of this bylaw, and under Section 9 of M.G.L. c. 40A, the Planning Board shall issue a special permit only after consideration of the following factors:

- a) Compliance with the criteria established under this Section 18.8 unless otherwise waived;
- b) Impact on the neighborhood visual character, including architectural design, views and vistas; and,
- c) The project meets one or more of the purposes established under Section 18.8.0.

Approved By Attorney General September 11, 2015

Article 10. Amend Zoning Map – Downtown Overlay District.

UNANIMOUS VOTE to amend the Zoning Map for the Town of North Andover by rezoning certain parcels of land to be included within the Downtown Overlay District – Sub-district A: Historic Mill Area, identified on the 2014 Town of North Andover Assessor's Maps as: Map 53 Parcel 25; Map 54 Parcel 1; Map 68 Parcel 10; Map 69 Parcel 1; as well as a certain parcel of land depicted as a former railroad right of way and described as Parcel 3 in a deed recorded with the Essex North District Registry of Deeds in Book 10601, Page 340, as more particularly shown as the shaded area depicted on the map entitled "Proposed DOT – Sub-district A: Historic Mill Area", dated March 22, 2015, which map is on file with the Town Clerk.



Voted May 19, 2015 – Approved By Attorney General September 11, 2015

Article 11. Amend Zoning Map – Downtown Overlay District (Corrections).

UNANIMOUS VOTE to amend the Zoning Map for the Town of North Andover to rezone certain parcels of land to properly describe the Downtown Overlay District originally included within the Downtown Overlay District by Article 41 of the 2009 Annual Town Meeting, identified on the 2014 Town of North Andover Assessor's Maps as: Map 18, Parcel 39; Map 18 Parcel 40; Map 18 Parcel 43; Map 18, Parcel 63; Map 29 Parcel 56; Map 29 Parcel 47; Map 18 Parcel 74; Map 18 Parcel 44; Map 18 Parcel 70; Map 41 Parcel 34; Map 41 Parcel 05; Map 41 Parcel 06; Map 41 Parcel 07; Map 30 Parcel 09; Map 30 Parcel 10; Map 30 Parcel 34; and Map 30 Parcel 12, as more particularly shown as a portion of the shaded area depicted on the map entitled "DOT Map Corrections", dated March 22, 2015, which map is on file with the Town Clerk.

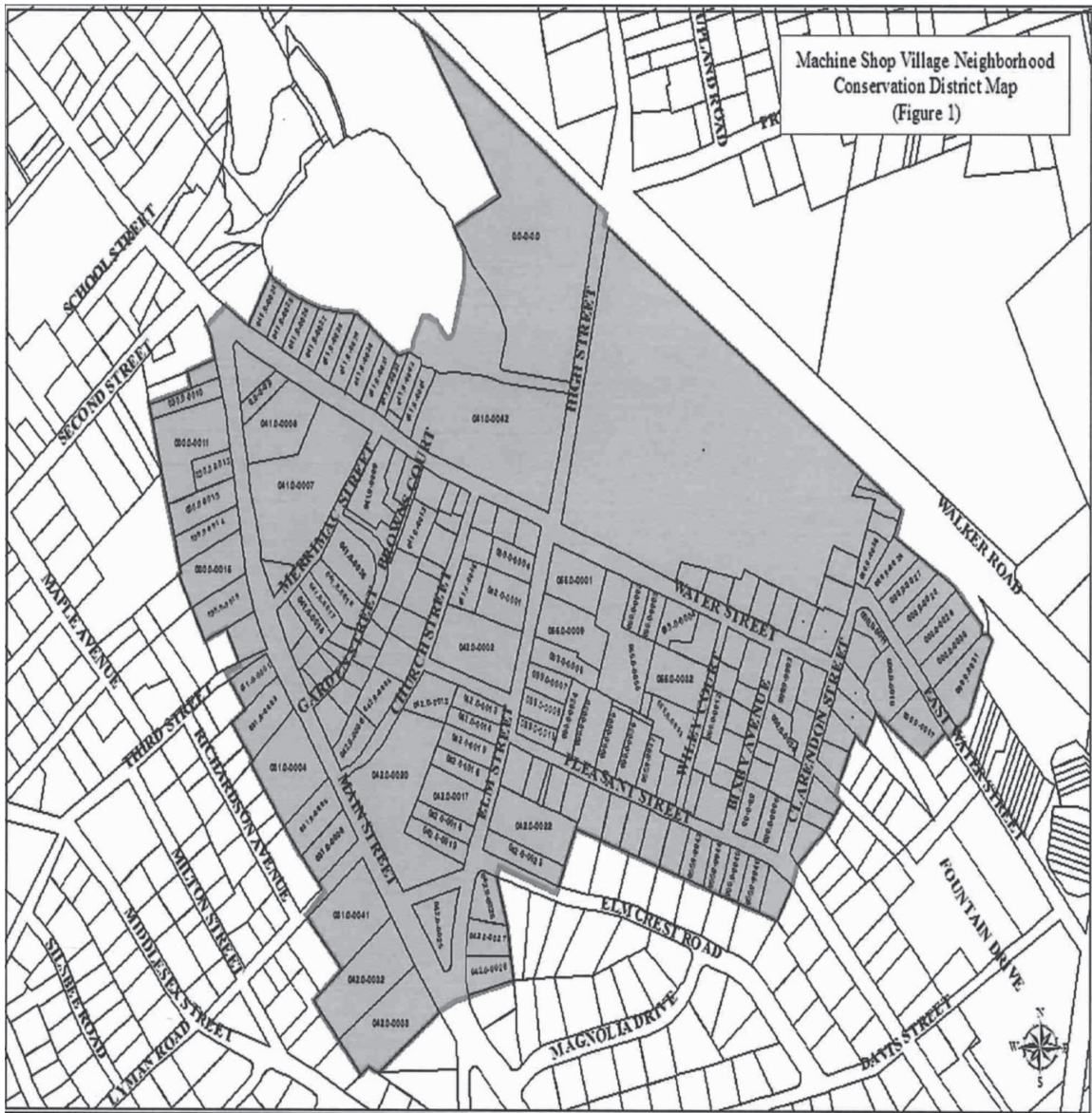


Voted May 19, 2015 – Approved By Attorney General September 11, 2015

Article 12. Amend Zoning Map – Machine Shop Village Neighborhood Conservation District.

UNANIMOUS VOTE to amend the Zoning Map for the Town of North Andover to rezone certain parcels of land to properly describe the Machine Shop Village Neighborhood Conservation District originally included within the historic district by Article 34 of the 2008 Annual Town Meeting, shown as a portion of the shaded area depicted on the map entitled “Machine Shop Village Neighborhood Conservation District”, which is on file with the Town Clerk.

Machine Shop Village Neighborhood Conservation District Map



Unanimous Vote May 19, 2015 Approved by Attorney General September 11, 2015

Article 13. Set Salaries and Compensation of Elected Officials.

UNANIMOUS VOTE to fix the salary and compensation of the elected officers of the Town, as provided by Massachusetts General Laws Chapter 41, §108 as follows:

Board of Selectmen/Licensing Commissioners, per person, per annum	\$5,000
Chairman of Board of Selectmen, per annum, in addition	\$500
School Committee, per person, per annum	\$5,000
Chairman, School Committee, per annum, in addition	\$500
Moderator, For Annual Town Meeting	\$500
For each Special Town Meeting	\$250

Article 14. Continue and Approve Revolving Funds.

UNANIMOUS VOTE to authorize the following revolving funds for certain Town departments under Massachusetts General Laws, Chapter 44, §53E ½ for the Fiscal Year beginning July 1, 2015:

Revolving Fund Accounts						
	Account Number	Revolving Fund	Authorized to Spend	Use of Funds	Revenue Source	FY 2016 Limit
1.	2031204	Wheelabrator Planning	Director - Community Development	Air quality monitoring	Wheelabrator Host Community Agreement	\$ 35,000
2.	2031205	Wheelabrator Public Safety	Director - Community Development	To enforce Trash Truck regulations	Wheelabrator Host Community Agreement	\$ 20,000
3.	2031207	Health Dept - Food Inspections	Director - Community Development	Food Consultant fees and expenses related to program	Inspection Fees	\$ 30,000
4.	2031208	Health Dept - Septic Inspections	Director - Community Development	Septic Consultant fees and expenses related to program	Inspection Fees	\$ 20,000
5.	2031210	Field Maintenance	Director - Division of Public Works	Field maintenance, upgrade and related expenses	Field rental fees, Grants, Donations, and related Fund-raising proceeds	\$ 5,000

Continued

Revolving Fund Accounts						
6.	2031211	Health Dept Revolving	Director - Community Development	Clinic supplies and other related materials	Clinic participant fees, Grants, Donations, and related Fundraising proceeds	\$ 30,000
7.	2031213	Youth and Recreation Services Revolving	Director - Division of Public Works	All programs and activities, expense, part time help	Participants' fees, Grants, Donations, and related Fund- raising proceeds	\$ 300,000
8.	2031217	Elder Services - COA Revol	Director of Human Services	Senior programs, classes and activities	Participants' fees, Grants, Donations, and related Fund- raising proceeds	\$ 20,000
9.		Stormwater Bylaw	Director - Community Development	Review, test and inspect Stormwater reports	Review Fees	\$ 50,000
TOTAL						\$ 510,000

Voted May 19, 2015

Article 15. Approve Payment of Prior Years Unpaid Bills.

UNANIMOUS VOTE to authorize payment of the following unpaid bills from prior year(s), by the respective department, using appropriations of the current fiscal year,

Prior Year Invoices FY14		
Vendor	Amount	Department
Ricoh	\$ 290.87	Accounting
Ricoh	\$ 327.27	Town Mgr
Ricoh	\$ 347.88	Health
Ricoh	\$ 370.46	Town Clerk
Andover Markers	\$ 608.89	Veterans
TransCanada	\$ 266.37	School
Riso	\$ 364.02	School
1600 Osgood	\$ 1.96	School
Deb Gilmartin Reimb	\$ 132.18	School
CH Neurology Foundation	\$ 1,193.46	School
Mass Commission for the Deaf	\$ 162.50	School
Icon Architechture	\$ 2,750.00	School
Crest	\$ 5,706.00	School
Total	\$ 12,521.86	

Article 16.

UNANIMOUS VOTE to Raise and appropriate funds for Fiscal Year 2016 as follows:

General Government	\$ 2,355,457
Public Safety	\$ 10,432,514
Education	\$ 43,612,479
Snow and Ice Removal	\$ 875,000
All Other Public Works	\$ 3,607,958
Health and Human Services	\$ 1,220,533
Culture and Recreation	\$ 974,850
Support Services	\$ 1,564,360
Debt Service	\$ 5,858,518
Employee Benefits	\$ 15,498,811
Liability Insurance	\$ 444,071
Regional Schools	\$ 457,798
Payroll Reserve (27th Psyroll)	\$ 408,348

For a total appropriation of \$87,310,698 and to transfer to the General Fund from Special Revenue – GLSD \$144,892 and to the General Fund from Free Cash \$408,248.

Article 17. Appropriation – Water Enterprise Fund for Fiscal Year 2016.

UNANIMOUS VOTE to appropriate the amount of \$5,322,268 in aggregate, for the purpose listed under column “FY16 Recommendation: Town Manager, Board of Selectmen, Finance Committee” for the Fiscal Year beginning July 1, 2015 and ending June 30, 2016; without regards to individual line items, and to operate the Water Enterprise Fund, that \$5,322,268 be raised from Water receipts and from these receipts \$923,227 be transferred to the General Fund for indirect cost and \$635,000 to Capital Projects.

WATER ENTERPRISE			
	Fiscal Year 2015 Budget	Fiscal Year 2016 Department Request	Fiscal Year 2016 <u>Recommendation</u> Town Manager Board of Selectmen Finance Committee
Personnel	896,678	940,600	940,600
Expense	1,488,819	1,541,165	1,541,165
Debt Service	1,706,394	1,282,276	1,282,276
Sub-Total Direct Expenditures	4,091,890	3,764,041	3,764,041
Transfer to Capital Projects	600,000	635,000	635,000
Admin/Indirect	900,710	923,227	923,227
Total Water Enterprise	5,592,600	5,322,268	5,322,268

Article 18. Appropriation – Sewer Enterprise Fund for Fiscal Year 2016.

UNANIMOUS VOTE to appropriate the amount of \$4,514,936 in aggregate, for the purpose listed under the column “FY16 Recommendation: Town Manager, Board of Selectmen, Finance Committee” for the Fiscal Year beginning July 1, 2015 and ending June 30, 2016; without regards to individual line items, and to operate the Sewer Enterprise Fund, that \$4,514,936 be raised from sewer receipts and from these receipts \$434,460 be transferred to the General Fund for indirect expenses and \$80,000 to Capital Projects.

SEWER ENTERPRISE			
	Fiscal Year 2015 Budget	Fiscal Year 2016 Department Request	Fiscal Year 2016 <u>Recommendation</u> Town Manager Board of Selectmen Finance Committee
Personnel	356,950	406,459	406,459
Expense	325,700	402,970	322,970
GLSD Assessment	1,655,000	1,721,200	1,721,200
Debt Service	1,956,938	1,549,848	1,549,848
Sub-Total Direct Expenditures	4,294,588	4,080,477	4,000,477
Transfer to Capitol Project	0	80,000	80,000
Admin/Indirect	423,863	434,460	434,460
Total Sewer Enterprise	4,718,451	4,594,936	4,514,936

Article 19. Appropriation – Stevens Estate Enterprise Fund for Fiscal Year 2016.

UNANIMOUS VOTE to appropriate the amount of \$322,682 in aggregate, for the purpose listed under the column “FY16 Recommendation: Town Manager, Board of Selectmen, Finance Committee” for the Fiscal Year beginning July 1, 2015 and ending June 30, 2016; without regards to individual line items, and to operate the Stevens Estate at Osgood Hill Enterprise Fund that \$322,682 be raised from Stevens Estate at Osgood Hill Fund and from these receipts \$48,812 be transferred to the General Fund for indirect expenses.

STEVENS ESTATE AT OSGOOD HILL ENTERPRISE			
	Fiscal Year 2015 Budget	Fiscal Year 2016 Department Request	Fiscal Year 2016 Recommendation Town Manager Board of Selectmen Finance Committee
Personnel	108,932	127,801	127,801
Expense	136,166	146,069	146,069
Debt Service	0	0	0
Sub-Total Direct Expenditures	245,098	273,870	273,870
Admin/Indirect	47,622	48,812	48,812
Total Stevens Estate Enterprise	292,719	322,682	322,682

Article 20. Appropriation – Capital Improvement Plan for Fiscal Year 2016.

UNANIMOUS VOTE to fund the Capital Improvement Program as listed under the heading “Board of Selectmen/Finance Committee/Town Manager Recommendations” and with the language included.

Fiscal Year 2016 CIP Recommendations

LINE #	PROJECT DESCRIPTION	BOARD OF SELECTMEN FINANCE COMMITTEE TOWN MANAGER RECOMMENDATIONS	OTHER FUNDING SOURCES (GRANTS, CHAPTER 90, CPA & SPEC REV)	RAISE & APPROPRIATED	RETAINED EARNINGS	EXCESS BOND PROCEEDS	AUTHORIZED TO BORROW UNDER CHAPTER 44
1	Roadway Improvements	\$1,230,000	\$(820,000)			\$-	\$410,000
2	Sidewalks Reconstruction	\$75,000	\$(5,000)				\$70,000
3	Municipal IT	\$50,000					\$50,000
4	Building Maintenance	\$150,000					\$150,000
5	Facilities Master Plan Implementation	\$4,699,483					\$4,699,483
6	High School Track Resurfacing	\$200,000					\$200,000
7	School IT	\$104,881					\$104,881
General Fund Total		\$6,509,364	\$(825,000)	\$-	\$-	\$-	\$5,684,364

Continued

Fiscal Year 2016 CIP Recommendations

LINE #	PROJECT DESCRIPTION	BOARD OF SELECTMEN FINANCE COMMITTEE TOWN MANAGER RECOMMENDATIONS	OTHER FUNDING SOURCES (GRANTS, CHAPTER 90, CPA & SPEC REV)	RAISE & APPROPRIATED	RETAINED EARNINGS	EXCESS BOND PROCEEDS	AUTHORIZED TO BORROW UNDER CHAPTER 44
8	Ozone System, Clearwell Baffles & Detention Tank Upgrade	\$70,000	\$-	\$-	(\$70,000)	\$-	\$-
9	Demolition of Pumping Station	\$250,000			(\$250,000)		\$-
10	Corrosion Study & Repairs of Water Pipes	\$95,000			(\$95,000)		\$-
11	Chemical Storage Tank & Feed System Improv.	\$70,000			(\$70,000)		\$-
12	Process Control Computer - update	\$150,000			(\$150,000)		\$-
Water Enterprise Fund Total		\$635,000	\$-	\$-	(\$635,000)	\$-	\$-
13	Improvements to various Pump Stations	\$750,000	\$-	\$-	\$(80,000)	\$-	\$670,000
14	Commonwealth Ave Sewer Replacement	\$125,000	\$-	\$-	\$-	\$-	\$125,000
Sewer Enterprise Fund Total		\$875,000	\$-	\$-	\$(80,000)	\$-	\$795,000
Total All Funds		\$8,019,364	\$(825,000)	\$-	\$(715,000)	\$-	\$6,479,364

that to meet this appropriation:

(1) The Treasurer with the approval of the Board of Selectmen is authorized to borrow \$6,479,364 under chapter 44 of the Massachusetts General Law or any other enabling authority;

(2) The appropriations for items 8, 9, 10, 11, and 12 above shall be funded with Water Enterprise fund retained earnings in the amount of \$635,000;

(3) The appropriation for item 13 above shall be partially funded with Sewer Enterprise fund retained earnings in the amount of \$80,000;

Article 21. Transfer to Stabilization.

UNANIMOUS VOTE to transfer \$64,412 from available funds or free cash into the Stabilization Fund

Article 22. Transfer to Capital Stabilization.

UNANIMOUS VOTE to transfer \$213,000 from available funds or free cash into the Capital Stabilization Fund.

Article 23. Transfer of funds from Health Insurance Trust Fund to Other Post- Employment Benefits (OPEB) Liability Trust Fund.

UNANIMOUS VOTE to transfer a sum of \$500,000 from the Health Insurance Trust Fund into the Other Post-Employment Benefits (OPEB) Liability Trust Fund.

Article 24. Special Education Stabilization Fund.

UNANIMOUS VOTE to establish a Special Education Stabilization Fund for the purpose of reserving funds to pay expenses related to special education, as authorized by Chapter 40, §5B of the General Laws.

Article 25. Transfer of Funds to Special Education Stabilization Fund.

UNANIMOUS VOTE to transfer a sum of \$750,000 from Free Cash to the Special Education Stabilization Fund.

Article 26. Report of the Community Preservation Committee – Appropriation From Community Preservation Committee Fund.

UNANIMOUS VOTE to receive the report of the Community Preservation Committee and to raise, borrow, transfer and/or appropriate from the Community Preservation Fund, in accordance with the provisions of Massachusetts General Laws Chapter 44B, a sum of money to be spent under the direction of the Community Preservation Committee.

LIST OF APPROVED PROJECTS — COMMUNITY PRESERVATION FUND		
Description	Amount	Category
Affordable Housing Trust	\$100,000	Affordable Housing
Bradstreet School Memorial	\$24,500	Historical Preservation
Feasibility Study – NAMS Athletic Complex	\$50,000	Recreation
Playground Renovation – Franklin School	\$100,000	Recreation
Renovation of Former Fire Station	\$575,000	Historic Preservation
Ridgewood Cemetery Enhancements	\$594,400	Historic Preservation
Stevens Estate – Bathroom Restoration	\$50,000	Historic Preservation
Stevens Estate – Carriage House	\$25,000	Historic Preservation
Reserve for Affordable Housing	\$87,800	Affordable Housing
Administrative Costs	\$30,000	Administrative and Operating Expenses
Total for Approved Projects	\$1,636,700	

Article 27. Authorization for a PILOT for a Solar Photovoltaic Installation (1600 Osgood Street).

UNANIMOUS VOTE, pursuant to the provisions of G.L. c.59, §38H, or any other enabling authority, to authorize the Town Manager and Board of Selectmen to enter into an agreement for payments in lieu of real and/or personal property taxes with the owner of, and for, a solar photovoltaic energy generating facility proposed at the property located at 1600 Osgood Street, North Andover, shown on Assessor's Map 34, Parcel 17, upon such terms and conditions as the Town Manager and Board of Selectmen shall deem to be in the best interest of the Town, and to take such other actions as may be necessary to implement and administer such agreement.

Article 28. Authorization for a PILOT for a Solar Photovoltaic Installation (Brooks School).

UNANIMOUS VOTE, pursuant to the provisions of G.L. c.59, §38H, or any other enabling authority, to authorize the Town Manager and Board of Selectmen to enter into an agreement for payments in lieu of real and/or personal property taxes with the owner of, and for, a solar photovoltaic energy generating facility proposed at the property located at 0 Great Pond Road, North Andover, shown on Assessor's Map 103, Parcel 1, upon such terms and conditions as the Town Manager and Board of Selectmen shall deem to be in the best interest of the Town, and to take such other actions as may be necessary to implement and administer such agreement.

Article 29. Authorization for a Net Metering Power Purchase Agreement (1600 Osgood Street).

UNANIMOUS VOTE to authorize the Town Manager and Board of Selectmen to enter into an agreement for the purchase of net metering credits generated by a renewable energy facility for a term of up to 25 years upon such terms and conditions as the Town Manager and Board of Selectmen deem in the best interests of the Town, and to authorize the Town Manager and Board of Selectmen to take such other actions as may be necessary to implement and administer such agreement.

Article 30. Citizen's Petition – Petition the General Court – Change Voting Age to Sixteen for Town Elections.

To see if the Town will vote to file a Home Rule Petition to allow citizens of North Andover who are 16 years old and older to register and vote in municipal elections within the Town.

Petition of Celia DiSalvo, et al

Amendment Frank Macmillan: "and to become effective, favorable action by the General Court must be ratified by the voters at a ballot referendum to be held at the next annual town election"

AMENDMENT VOTE: YES 140 NO 58

ARTICLE 30 DEFEATED VOTE: YES 70 NO 130

Article 31. Citizen's Petition – Petition the General Court – Special Act – Change in Liquor Quota – All Alcoholic Beverages for The Cork Stop, Inc. 1593 Osgood Street.

VOTED to Petition the Legislature to allow the North Andover Licensing Authority to override the provisions of Massachusetts General Law Chapter 138 Section 17 (Number of licenses quotas; licenses for wine and malt beverages per population unit; additional licenses; estimates of increased population; decrease in quota due to loss in population determination of population city or town) for the increase in the number of All Alcohol Beverages Licenses for Package Stores by one (1) for The Cork Stop, Inc., Sophia Stamos, Manager, 1593 Osgood Street, North Andover, Massachusetts 01845.

YES 155 NO 10

The 2015 Annual Town Meeting Dissolved by Unanimous Vote on Tuesday May 19, 2015 with all articles voted.

Respectfully Submitted,
Joyce A. Bradshaw, CMMC, Town Clerk

TOWN OF NORTH ANDOVER

MASSACHUSETTS



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2015



North Andover Town Hall

Board of Selectmen Town Manager



**Front row: Rosemary C. Smedile, Andrew Maylor (Town Mgr), Tracy M. Watson
Back row: Richard M. Vaillancourt, Phil DeCologero, Donald B. Stewart**

TOWN OF NORTH ANDOVER, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended
June 30, 2015



Prepared by:

Lyne M. Savage, Finance Director/Town Accountant

TOWN OF NORTH ANDOVER, MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2015

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Introductory Section



*Country Drive thorough North Andover
Courtesy of Millie Matasso*

Introductory Section

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Town of North Andover



120 Main Street
North Andover, Massachusetts 01845
(978) 688-9523
FAX (978) 688-9522

Letter of Transmittal

November 30, 2015

To Members of the Board of Selectmen and Citizens of the Town of North Andover:

At the close of each fiscal year, state law requires the Town of North Andover to publish a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), and that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Town of North Andover, Massachusetts, for the fiscal year ending 2015 for your review.

This report consists of management's representations concerning the finances of the Town of North Andover. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of North Andover has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of North Andover's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of North Andover's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP.

The Town of North Andover's financial statements have been audited by Powers & Sullivan, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of North Andover for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of North Andover's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of North Andover was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal

requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town of North Andover's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement that analysis and should be read in conjunction with it. The Town of North Andover's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town

The Town of North Andover is located in Essex County, approximately 24 miles north of Boston. The Town is 26.63 square miles and lies along the banks of the Merrimack River and is surrounded by the Towns of Boxford, Andover, Middleton, North Reading, and the Cities of Lawrence, Methuen and Haverhill. The settlement of the Town began in 1640 and was incorporated as Andover in 1646. The community was split into the North Parish (now North Andover) and South Parish (now Andover) in 1709 and North Andover was incorporated as a separate entity in 1855. Although North Andover contains several Commercial Office Parks, the Town has retained a rural character and contains over 3,000 acres of preserved open space and farmland. North Andover is served by the following interstates: Route 495, Route 125, Route 133 and Route 114. North Andover is a thriving community with an excellent school system, efficient services and a strong commitment to its citizens. As of the 2010 U.S Census the Town's population is 28,382.

North Andover is governed by an open Town Meeting form of government, a five-member Board of Selectmen and a Town Manager pursuant to a Home Rule Charter that went into effect in 1986. Town Meeting is defined as the Legislative body, Board of Selectmen as the Executive body and the Town Manager as the chief administrative officer. In accordance with Chapter 2 "the legislative powers of the town shall be exercised by a town meeting open to all registered voters of the town". As defined in Chapter 3 "the Board of Selectmen shall serve as the chief goal-setting and policy-making agency of the town and, as such, shall not normally administer the day-to-day affairs of the town, but shall instead regularly direct the Town Manager to help it in carrying out its administrative duties, and make recommendations to the town meeting relating to actions required to be taken by that body." As defined in Chapter 4 "the Town Manager shall be the chief administrative officer of the town and shall be responsible for administering and coordinating all employees, activities and departments placed by general law, this charter or by-law under the control of the Board of Selectmen and of the Town Manager."

The School Committee has general charge and superintendence of the public schools of the Town. The School Committee is comprised of five members elected at large. The School Committee has the power to select and terminate a superintendent of schools, along with all the powers and duties given to school committees by the laws of the Commonwealth. The School Committee is responsible for establishing educational goals and policies for the schools consistent with the laws of the Commonwealth and standards established by the Commonwealth.

In addition to being shaped and influenced by the Town's elected officials and appointed staff, Town policy and programs are impacted by the actions of the Town's Boards and Commissions. The size, responsibility and source of authority of the Town's Boards and Commissions vary. With the exception of those members who derive their appointments as a result of their position in Town government and the Town Charter mandating their membership, the Board of Selectmen and Town Manager appoint members in accordance with the Town Charter or Massachusetts General Law.

The Town provides a full array of high quality services to the general public, including: full-time police and fire protection; schools for grades pre- kindergarten through 12, (one pre-kindergarten, five elementary, one middle, one senior high, and one regional vocational technical high school); solid waste disposal and recycling; street maintenance and snow removal; public health and natural resource protection; community development and

planning; elder, youth and veteran services; a full service library; and various parks, playgrounds, conservation lands, and recreational programs. The Town also operates its own water supply, purification, and distribution system, and provides sanitary waste disposal via connections to a regional treatment facility (Greater Lawrence Sanitary District). During the summer months the Town operates Steven's Pond, a family and youth oriented recreation area located off Pleasant Street, which includes recreational and instructional swimming, shaded picnic tables, volleyball, horseshoe pits and a children's playground. The Merrimack Valley Regional Transit Authority ("MVRTA") provides bus coverage for certain routes around the Town with connections to the surrounding communities within the Merrimack Valley area. The MVRTA also provides a commuter bus service directly to and from the Town and Boston. The Town of North Andover is committed to a high degree of community responsiveness, providing high quality services to its citizens, and conducting all its affairs in a professional manner.

Factors Affecting Economic Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of North Andover operates.

Local economy

Although North Andover is most well-known for its residential friendly neighborhoods and rich natural beauty, the Town also has a well-balanced mix of commercial development situated in three distinct areas. The Downtown/Historic Mill district is centered on Main and High Streets and serves the local community with small retail and office space as well as providing a mix of fast food and full service restaurants. This district is also home to a large mix-use mill complex that houses larger companies, rental housing, manufacturing, restaurants and offices.

North Andover is bisected by two state highways that connect to an interstate highway. These two corridors, which comprise the other commercial districts, boast three industrial parks that serve larger national and international businesses. The state highways also provide a mix of regional commercial and retail businesses that serve residents and neighboring communities. Located at the intersection of the two state highways, on a 220-acre campus, is Merrimack College with over 3,000 students. The college was recently ranked as one of the nation's best regional liberal arts colleges.

Long-term financial planning

The Town of North Andover is committed to maintaining a solid financial position in all economies and the "AA+" bond rating from Standard and Poor's along with their "Positive Outlook" designation is indicative of that. The Town's financial actions are generally guided by a number of formal financial policies and strengthened by long range planning tools such as a five year Capital Improvement Program, Five Year Financial Forecast, pay-as-you go financing strategies and long-term planning for all liabilities including pension and health insurance reserves.

Given a number of years of reduced state aid in the first decade of this century, followed by only modest growth since that time, the Town has been able to minimize the impact to municipal and school services through a combination of prudent budgeting, user fee adjustments, strong tax collections, modification of employee health benefits and continued property growth. Over the last few years the Town has been able to make transfers from Free Cash into existing reserves as well as establish and fund new reserve accounts such as the Capital Stabilization Fund, OPEB Reserve Fund, and the Special Education (SPED) Stabilization Fund. As of June 30, 2015, the Stabilization Fund undesignated fund balance is \$4,208,044, the Capital Stabilization Fund balance is \$455,124, and the OPEB Stabilization Fund undesignated fund balance is \$1,007,937.

The Town is currently managing approximately \$51.7 million worth of long-term debt. This indebtedness consists of approximately \$35.9 million of general obligation bonds. Approximately \$7.3 million or 14.1% of the \$51.7 million is scheduled to be paid by the end of fiscal 2016 and the remaining \$44.4 million by fiscal 2034. Approximately \$15.8 million is self-supporting through enterprise fund revenues.

The Town of North Andover has enhanced its revenue flexibility by establishing enterprise funds and many other user supported programs. This has allowed the Town to shift the operating costs to the users of certain services so that little or no tax support goes towards providing these services. By doing so, the Town is able to provide the maximum tax dollars available to all other services.

In May 2004 Town Meeting adopted an article which established the Revenue/Fixed Cost Review Committee whose main purpose is to advise the Town Manager and other Town officials on projected revenues, other financial sources and fixed costs to facilitate the annual budget development process. Additionally, the Audit Committee assists the Town Manager with the selection of the independent auditor, oversight of the audit process, and resolution of audit findings.

Cash management policies and practices

It is the policy of the Town of North Andover to comply with the laws of the Commonwealth of Massachusetts regarding the investment of public funds while achieving the highest return with the maximum security and meeting the daily cash flow demands of the Town.

As of June 30, 2015, general fund cash and cash equivalents totaled \$19.5 million, while the balance of cash and cash equivalents for all funds totaled \$50.2 million.

Risk management

The Town of North Andover manages its risk through premium based coverage with commercial insurance carriers. With the move from the Town's self-insured health plan to the Group Insurance Commission (GIC) the Town has further reduced their risk related to health insurance claims. The Town is exposed to various risks of loss related to general liability, property and casualty, workers' compensation and unemployment compensation claims. Buildings and property are fully insured against fire, theft and natural disaster to the extent that losses exceed the Town's deductible per incident. These deductibles vary by type of incident, none of which exceed \$25,000.

Pension and other post-employment benefits

The Town of North Andover contributes to the Essex Regional Retirement System (ERRS) who manages retirement benefits for all employees other than those covered by the Massachusetts Teachers' Retirement System. ERRS recently reported that the Net Pension Liability (NPL) for the pension plan increased from \$304.7 million as of December 31, 2013, to \$339.6 million as of December 31, 2014, using an estimated 8% annual return on funds. This follows an increase in NPL of more than 18% from January 1, 2010 to December 31, 2013. North Andover's share of this liability is determined annually based on payroll cost and as of December 31, 2014, was approximately 14.76% which extrapolates to an unfunded liability of \$49.7 million.

The Town of North Andover also provides postretirement health care benefits for certain retirees and their dependents. There were 380 retired employees receiving these benefits, which are financed on a pay-as-you-go basis for its unfunded liability. For Fiscal 2015, the Town obtained an update to the July 1, 2013, actuarial valuation using roll forward procedures that resulted in an unfunded liability of \$86,667,740 for the year ended June 30, 2015, which reflects an increase of \$62,367 from the June 30, 2014 liability. The primary reason for the minimal increase was the continued positive effect of migrating all employees and retirees to the Group Insurance

Commission (GIC) health insurance plans in January 2014. The unfunded liability in the fiscal year just prior to the moving to the GIC exceeded 100 million dollars. The Town established an Other Postemployment Benefit Stabilization (OPEB) fund in 2014, to date it has been funded with \$1 million. In addition, in May 2015 the Town Meeting approved an OPEB Trust Fund and funded that account with \$500,000 with a transfer in fiscal 2016 from the health insurance internal service fund. The Town will continue to contribute to these funds based on the Financial Reserve Policy as amended in February 2015. Additional information on the Town of North Andover's pension and post-employment benefits can be found in the notes to the financial statements.

Annual budget process and controls

The Town Manager is responsible for preparing and presenting the budget to the Board of Selectmen and the Finance Committee. The Selectmen review all requests and Town wide issues and present a budget to Town Meeting for approval. A nine member Finance Committee reviews the budget and makes its independent recommendations to Town Meeting.

The level of budgetary control is established by Town Meeting and this approval defines the level at which expenditures may not exceed appropriations. The Town Accountant is responsible for ensuring all payroll and invoices are within the budgetary control level before authorizing payment. Additional appropriations may be approved at subsequent Town Meetings. These controls ensure compliance with the budget approved by residents at Town Meeting.

Awards and Acknowledgements

The Town is committed to reporting information in a transparent and professional manner following accepted best practices. As evidence of this the town has complied with the standards set forth by the Government Finance Officers Association of the United States and Canada and been awarded both the Distinguished Budget Presentation Award and Comprehensive Annual Financial Report Award for the past three consecutive years beginning with fiscal 2012.

The preparation of this report would not have been possible without the efficient and dedicated services of the Finance and Accounting department staffs. We would like to express our appreciation to all the members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the Board of Selectmen, Finance Committee and Audit Committee for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of North Andover's finances.

Respectfully submitted,

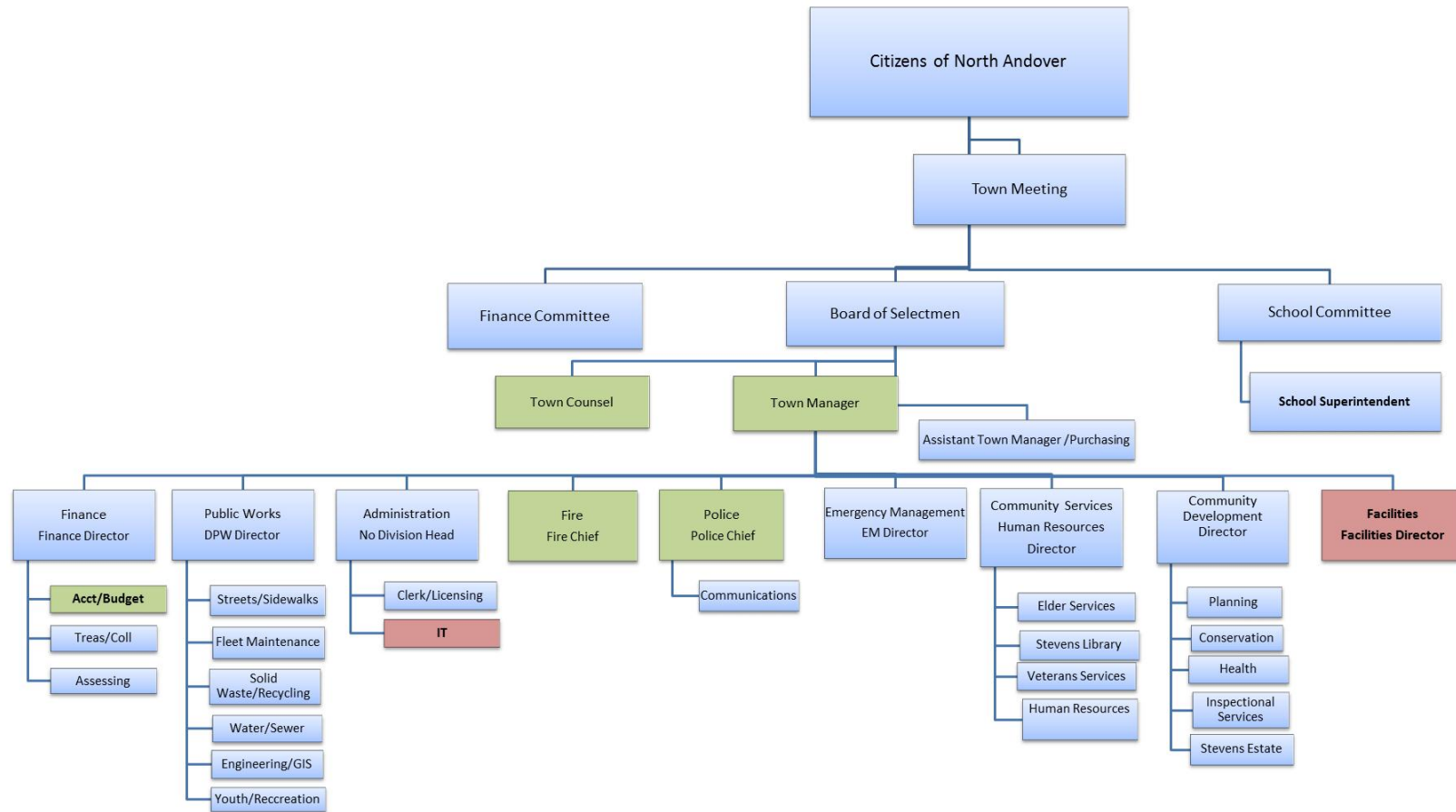


Andrew W. Maylor
Town Manager



Lyne M. Savage
Finance Director/Town Accountant

Organizational Chart



Principal Town Officials

Elected Officials

Board of Selectmen

Tracy M. Watson, Chairman
Phil DeCologero, Clerk
Rosemary Connelly Smedile
Donald B. Stewart
Richard M Vaillancourt

Town Moderator

Mark DiSalvo

School Committee

Brian Gross, Chair
Andrew McDevitt, Vice Chair
Stan Limpert, Clerk
David Torrisi, Member
Zora Warren, Member

Appointed Officials – by School Committee

Superintendent

Jennifer Price

Appointed Officials – by Board of Selectmen

Town Manager
Town Accountant
Fire Chief
Police Chief
Town Counsel

Andrew W. Maylor
Lyne M. Savage
Andrew Melnikas
Paul J. Gallagher
Urbelis & Fieldsteel, LLP

Appointed Officials – by Town Manager

Assistant Town Manager/Purchasing
Community Development Director
Conservation Administrator
Director of Elder Services
Finance Director
Facilities Director
Human Resources
Inspector of Building
Library Director
Public Works Director
Public Health Director
Town Clerk
Town Treasurer
Town Planner
Veterans Director
Youth Services Director

Raymond Santilli
Eric Kfoury
Jennifer A Hughes
Irene M. O'Brien
Lyne M. Savage
Steve Foster
Cathy J. Darby
Gerald A. Brown
Kathleen Keenan
Bruce D. Thibodeau
Susan Y. Sawyer
Joyce A. Bradshaw
Jennifer A. Yarid
Vacant
Edward V. Mitchell
Richard Gorman



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of North Andover
Massachusetts**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014



Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of North Andover
Massachusetts**

For the Fiscal Year Beginning

July 1, 2014

Executive Director

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Financial Section



Photo courtesy of Brenda Tomasz

Financial Section

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100 Quannapowitt Parkway

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Wakefield, MA 01880

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F. 781-914-1701

www.powersandsullivan.com

Independent Auditor's Report

To the Honorable Board of Selectmen
Town of North Andover, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of North Andover, Massachusetts, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of North Andover, Massachusetts, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of North Andover, Massachusetts' basic financial statements. The introductory section, combining and individual fund statements, statistical section, and additional information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, statistical section and additional information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015, on our consideration of the Town of North Andover, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of North Andover, Massachusetts' internal control over financial reporting and compliance.



November 30, 2015

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of North Andover, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2015. We encourage readers to consider the information presented in this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP) for states and local governmental entities. Users of these financial statements (such as investors, rating agencies and management) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

Financial Overview

- The assets and deferred outflows of resources of the Town of North Andover exceeded the liabilities and deferred inflows of resources at the close of the most recent year by \$93.5 million (net position).
- In 2015, the Town implemented GASB Statement #68, *Accounting and Financial Reporting for Pensions*. Financial statement changes include the recognition of a \$49.7 million net pension liability, pension expense and deferred inflows of resources. The financial statements also recognized a revision of beginning net position to reflect the net pension liability at the beginning of the year (see note 16). The notes to the basic financial statements and the required supplementary information were expanded to include additional required schedules and disclosures.
- At the close of the current year, the Town's general fund reported a fund balance of \$13.9 million, an increase of \$3.8 million in comparison with the prior year. Total fund balance represents 16% of general fund expenditures.
- The Town's governmental debt (short-term and long-term combined) increased by \$3.4 million during the current year. This change was due to the issuance of \$8.7 million of long-term debt, offset by \$4.7 million in principal payments on long-term debt, and a \$600,000 decrease in short-term debt outstanding.
- The Town's business-type debt (short-term and long-term combined) decreased by \$3.2 million during the current year. This change was due to the issuance of \$1 million of long-term debt, offset by \$4.2 million in principal payments.
- In order to take advantage of favorable interest rates, the Town issued \$1,070,000 of general obligation refunding bonds on June 15, 2015. The transaction resulted in an economic gain of \$158,000 and a reduction of \$180,000 in future debt service payments.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of North Andover's basic financial statements. These basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, health and human services, culture and recreation, support services, and interest. The business-type activities include the activities of the water, sewer, and Osgood Hill Estate operations.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of North Andover adopts an annual appropriated budget for its general fund. A budget to actual schedule has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. The Town maintains two types of proprietary funds.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its water, sewer, and Osgood Hill Estate operations, all of which are considered to be major funds.

The Town of North Andover adopts annual appropriated budgets for each enterprise fund. A budget to actual schedule has been provided, as additional information, to demonstrate compliance with these budgets.

The *Internal Service fund* is used to account for the financing of services provided by one department to other departments or governmental units. This fund is used to account for risk-financing activities related to active employees' and retirees' health insurance.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for propriety funds.

Private-purpose trust funds and agency funds are reported and combined into a single, aggregate presentation in the fiduciary fund financial statements under the captions "private purpose trust funds" and "agency funds," respectively.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. North Andover's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$93.5 million at the close of 2015.

Net position includes \$151.6 million as the net investment in capital assets (e.g., land, buildings and building improvements, machinery and equipment and infrastructure); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position, \$9.2 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position has a year-end deficit balance of \$67.4 million. The primary reason for this deficit balance is the recognition of the \$49.3 million OPEB liability and the \$49.7 million net pension liability.

At the end of the current year, the Town is able to report positive balances in two of the three categories of net position, for the Town as a whole and for its governmental activities. Its business-type activities report positive balances in all categories.

The governmental activity and business-type activity components of the Town are presented on the following pages.

Governmental Activities. The Town of North Andover's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources for governmental activities by \$45 million at the close of 2015.

	2015	2014 (As Revised)
Assets:		
Current assets.....	\$ 46,373,719	\$ 44,473,557
Capital assets.....	139,763,991	134,996,739
Total assets.....	186,137,710	179,470,296
Deferred Outflows of Resources:		
Deferred charges on refunding.....	135,258	230,563
Liabilities:		
Current liabilities (excluding debt).....	8,384,461	8,852,949
Noncurrent liabilities (excluding debt).....	96,109,682	90,997,702
Current debt.....	4,857,786	5,294,425
Noncurrent debt.....	31,674,706	27,872,574
Total liabilities.....	141,026,635	133,017,650
Deferred Inflows of Resources:		
Deferred inflows of resources related to pensions.....	209,218	-
Net Position:		
Net investment in capital assets.....	108,245,924	106,117,880
Restricted.....	8,473,982	9,444,583
Unrestricted.....	(71,682,791)	(68,879,254)
Total net position.....	\$ 45,037,115	\$ 46,683,209
Program Revenues:		
Charges for services.....	\$ 7,071,850	\$ 7,010,301
Operating grants and contributions.....	16,630,896	18,994,028
Capital grants and contributions.....	1,080,649	1,807,772
General Revenues:		
Real estate and personal property taxes.....	63,877,139	62,195,623
Tax liens.....	698,405	570,085
Motor vehicle and other excise taxes.....	4,957,476	4,673,160
Penalties and interest on taxes.....	390,837	501,903
Payments in lieu of taxes.....	1,975,835	2,008,020
Community preservation taxes.....	1,466,141	1,433,013
Grants and contributions not restricted to specific programs.....	2,368,601	2,279,506
Unrestricted investment income.....	206,490	241,618
Gain on sale of capital assets.....	175,692	-
Total revenues.....	100,900,011	101,715,029
Expenses:		
General government.....	3,682,360	3,685,321
Public safety.....	15,498,592	15,242,286
Education.....	69,182,129	70,591,546
Public works.....	7,659,238	6,719,915
Health and human services.....	2,420,603	2,228,573
Culture and recreation.....	2,530,792	1,453,223
Support services.....	1,914,306	1,444,333
Interest.....	1,004,030	1,025,900
Total expenses.....	103,892,050	102,391,097
Excess (deficiency) before transfers.....	(2,992,039)	(676,068)
Transfers.....	1,345,945	832,290
Change in net position.....	(1,646,094)	156,222
Net position, beginning of year (as revised).....	46,683,209	46,526,987
Net position, end of year.....	\$ 45,037,115	\$ 46,683,209

The 2014 governmental activities net position has been revised to reflect the implementation of GASB Statement #68 and the associated net pension liability totaling \$48,002,805. As a result, previously reported net position of \$94,686,014 has been revised to \$46,683,209.

The governmental expenses totaled \$103.9 million of which \$24.8 million (24%) was directly supported by program revenues consisting of charges for services, operating and capital grants and contributions. General revenues totaled \$76.1 million, primarily coming from property taxes, motor vehicle excise, payments in lieu of taxes, community preservation taxes and non-restricted state aid.

The governmental net position decreased by \$1.6 million during the current year. This decrease was due to several offsetting factors. Governmental net position decreased by \$5.0 million due to an increase in the other postemployment benefits liability. This decrease was offset by positive general fund operating results totaling \$2.2 million and the recognition of \$1.1 million in capital grants.

Business-type Activities. The Town of North Andover's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources for business-type activities by \$48.4 million at the close of 2015.

	2015	2014 (As Revised)
Assets:		
Current assets.....	\$ 11,333,438	\$ 11,074,453
Noncurrent assets (excluding capital).....	476,636	577,484
Capital assets.....	56,349,158	56,976,623
Total assets.....	68,159,232	68,628,560
Deferred Outflows of Resources:		
Deferred charges on refunding.....	102,663	141,043
Liabilities:		
Current liabilities (excluding debt).....	413,186	361,174
Noncurrent liabilities (excluding debt).....	3,619,158	3,465,942
Current debt.....	2,529,601	3,240,133
Noncurrent debt.....	13,277,633	15,770,161
Total liabilities.....	19,839,578	22,837,410
Deferred Inflows of Resources:		
Deferred inflows of resources related to pensions.....	7,031	-
Net Position:		
Net investment in capital assets.....	43,397,442	42,012,200
Unrestricted.....	5,017,844	3,919,993
Total net position.....	\$ 48,415,286	\$ 45,932,193

	2015	2014 (As Revised)
Program Revenues:		
Charges for services.....	\$ 11,048,263	\$ 10,520,803
Operating grants and contributions.....	112,149	122,529
Total revenues.....	11,160,412	10,643,332
Expenses:		
Water.....	3,463,307	3,200,373
Sewer.....	3,481,106	3,238,708
Osgood Hill	386,961	344,001
Total expenses.....	7,331,374	6,783,082
Excess (deficiency) before transfers.....	3,829,038	3,860,250
Transfers.....	(1,345,945)	(832,290)
Change in net position.....	2,483,093	3,027,960
Net position, beginning of year (as revised).....	45,932,193	42,904,233
Net position, end of year.....	\$ 48,415,286	\$ 45,932,193

The 2014 business-type activities net position has been revised to reflect the implementation of GASB Statement #68 and the associated net pension liability totaling \$1,613,124. As a result, previously reported net position of \$47,545,317 has been revised to \$45,932,193.

Business-type net position of \$43.4 million represents the net investment in capital assets and \$5.0 million is unrestricted. The Town's business-type activities net position increased by \$2.5 million in the current year.

The water enterprise fund net position increased by \$1.2 million. This increase was due to debt service principal payments exceeding depreciation expense by \$602,000, as well as \$727,000 of positive budgetary results. During the year, the fund earmarked \$600,000 for water treatment plant technology upgrades that will occur in fiscal 2016.

The sewer enterprise fund net position increased by \$1.2 million. This increase was due to debt service principal payments exceeding depreciation expense by \$837,000, as well as \$539,000 of positive operating results.

The Osgood Hill enterprise fund net position increased by \$75,000 which was primarily due to positive budgetary results.

Financial Analysis of the Governmental Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Town of North Andover's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town of North Andover's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, governmental funds reported combined ending fund balances of \$29.2 million, of which \$13.9 million is for the general fund, \$6.5 million is for the community preservation fund, \$4.4 million is for municipal capital project funds, and \$4.3 million is for nonmajor governmental funds. Cumulatively there was an increase of \$5.0 million in fund balances from the prior year.

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund totaled \$13.0 million, while total fund balance was \$13.9 million. \$693,000 of fund balance was restricted for debt service while \$293,000 has been assigned for encumbrances. Total fund balance represents 16% of general fund expenditures. The Town's general fund increased by \$3.8 million in 2015. This was due to \$1.5 million of better than anticipated revenue collections, such as tax liens, motor vehicle and other excise taxes, penalties and interest on taxes, intergovernmental revenues, and departmental receipts. Also contributing to the increase was various underspent appropriations of \$1.3 million; and a \$1.0 million transfer from the health insurance internal service fund to the OPEB stabilization fund which is reported as a component of general fund unassigned fund balance.

The community preservation fund decreased by \$281,000 in 2015, which is due to timing differences between the receipt and expenditure of surcharge and state grant revenues.

The highway chapter 90 fund recognized revenues and expenditures totaling \$1.3 million and accordingly did not reflect a net change in fund balance at year-end.

The municipal capital project fund increased by \$955,000 in 2015 which is primarily due to a timing difference between the receipt and expenditure of bond proceeds.

The nonmajor governmental funds increased by \$487,000 in 2015, which is due to a timing difference between the receipt and expenditure of bond proceeds, as well as state and federal grant funds.

General Fund Budgetary Highlights

The original 2015 approved budget for the General Fund authorized \$86.4 million in appropriations and other amounts to be raised. This includes \$366,000 of encumbrances and continuing appropriations carried forward from the prior year.

Capital Asset and Debt Administration

Capital Assets. In conjunction with the annual operating budget, the Town annually prepares a capital budget for the upcoming year and a five-year Capital Improvement Plan (CIP) that is used as a guide for future capital expenditures.

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$196.1 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and building improvements, machinery and equipment, library books, vehicles, a water treatment plant, pump stations, a reservoir, and other infrastructure. The Town invested \$11.9 million for capital asset additions in 2015.

The major governmental capital asset events during the current year include various improvements to Town buildings in connection with the facilities master plan, improvements to McEvoy field, as well as various sidewalk and roadway improvements.

The major business-type capital asset events during the current year consisted of improvements to water and sewer pump stations, the purchase of a sewer utility truck, a new HVAC system, as well as window and roof repairs at the Stevens Estate.

Debt Administration. Outstanding gross long-term governmental debt, as of June 30, 2015, totaled \$36.5 million, an increase of \$4 million from the prior year. This was due to the issuance of general obligation bonds and premiums totaling \$8.7 million, and principal payments totaling \$4.7 million.

There was no outstanding governmental short-term debt as of year-end.

Outstanding gross long-term debt of the water enterprise fund, as of June 30, 2015, totaled \$7.9 million, a decrease of \$1.5 million from the prior year. This was due to principal payments totaling \$1.5 million.

Outstanding gross long-term debt of the sewer enterprise fund, as of June 30, 2015, totaled \$7.9 million, a decrease of \$1.7 million. This was due to principal payments totaling \$1.7 million, \$1 million of proceeds from refunding bonds and the refunding of \$1 million of existing debt.

In order to take advantage of favorable interest rates, the Town issued \$1,070,000 of general obligation refunding bonds on June 15, 2015. \$1,030,000 of general obligation bonds were advance refunded by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service payments of the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$44,513. This advance refunding was undertaken to reduce total debt service payments over the next 13 years by \$179,588 and resulted in an economic gain of \$157,945. At June 30, 2015, \$1,030,000 of bonds outstanding from the advance refunding is considered defeased.

Please refer to notes 4, 7 and 8 to the basic financial statements for further discussion of the major capital and debt activity.

Requests for Information

This financial report is designed to provide a general overview of the Town of North Andover's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Town Hall, 120 Main Street, North Andover, Massachusetts 01845.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2015

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 38,054,907	\$ 8,290,713	\$ 46,345,620
Investments.....	714,597	-	714,597
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	1,071,052	-	1,071,052
Tax and utility liens.....	2,355,202	71,865	2,427,067
Motor vehicle and other excise taxes.....	608,834	-	608,834
User charges.....	-	2,870,012	2,870,012
Community preservation.....	20,734	-	20,734
Departmental and other.....	639,720	-	639,720
Intergovernmental.....	1,761,443	100,848	1,862,291
Tax foreclosures.....	655,028	-	655,028
Working capital deposit.....	492,202	-	492,202
Total current assets.....	46,373,719	11,333,438	57,707,157
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	-	476,636	476,636
Capital assets, nondepreciable.....	25,760,685	6,838,382	32,599,067
Capital assets, net of accumulated depreciation.....	114,003,306	49,510,776	163,514,082
Total noncurrent assets.....	139,763,991	56,825,794	196,589,785
TOTAL ASSETS.....	186,137,710	68,159,232	254,296,942
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding.....	135,258	102,663	237,921
LIABILITIES			
CURRENT:			
Warrants payable.....	1,995,460	224,644	2,220,104
Accrued payroll.....	3,013,229	-	3,013,229
Tax refunds payable.....	2,020,000	-	2,020,000
Accrued interest.....	297,045	131,542	428,587
Other liabilities.....	77,567	-	77,567
Liabilities due depositors.....	106,160	-	106,160
Compensated absences.....	875,000	57,000	932,000
Bonds payable.....	4,857,786	2,529,601	7,387,387
Total current liabilities.....	13,242,247	2,942,787	16,185,034
NONCURRENT:			
Compensated absences.....	668,000	37,000	705,000
Other postemployment benefits.....	47,339,046	1,965,679	49,304,725
Net pension liability.....	48,102,636	1,616,479	49,719,115
Bonds payable.....	31,674,706	13,277,633	44,952,339
Total noncurrent liabilities.....	127,784,388	16,896,791	144,681,179
TOTAL LIABILITIES.....	141,026,635	19,839,578	160,866,213
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions.....	209,218	7,031	216,249
NET POSITION			
Net investment in capital assets.....	108,245,924	43,397,442	151,643,366
Restricted for:			
Debt service.....	-	-	-
Community preservation.....	6,978,784	-	6,978,784
Permanent funds:			
Expendable.....	729,799	-	729,799
Nonexpendable.....	29,257	-	29,257
Gifts and grants.....	736,142	-	736,142
Unrestricted.....	(71,682,791)	5,017,844	(66,664,947)
TOTAL NET POSITION.....	\$ 45,037,115	\$ 48,415,286	\$ 93,452,401

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 3,682,360	\$ 620,811	\$ 301,041	\$ -	\$ (2,760,508)
Public safety.....	15,498,592	2,943,349	290,289	-	(12,264,954)
Education.....	69,182,129	3,304,534	15,410,239	-	(50,467,356)
Public works.....	7,659,238	87,231	45,465	497,030	(7,029,512)
Health and human services.....	2,420,603	113,284	446,188	-	(1,861,131)
Culture and recreation.....	2,530,792	2,641	124,775	583,619	(1,819,757)
Support services.....	1,914,306	-	-	-	(1,914,306)
Interest.....	1,004,030	-	12,899	-	(991,131)
Total Governmental Activities...	103,892,050	7,071,850	16,630,896	1,080,649	(79,108,655)
<i>Business-Type Activities:</i>					
Water.....	3,463,307	5,550,719	15,705	-	2,103,117
Sewer.....	3,481,106	5,014,766	95,427	-	1,629,087
Osgood Hill.....	386,961	482,778	1,017	-	96,834
Total Business-Type Activities..	7,331,374	11,048,263	112,149	-	3,829,038
Total Primary Government.....	\$ 111,223,424	\$ 18,120,113	\$ 16,743,045	\$ 1,080,649	\$ (75,279,617)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page....	\$ (79,108,655)	\$ 3,829,038	\$ (75,279,617)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	63,877,139	-	63,877,139
Tax liens.....	698,405	-	698,405
Motor vehicle and other excise taxes.....	4,957,476	-	4,957,476
Penalties and interest.....	390,837	-	390,837
Payments in lieu of taxes.....	1,975,835	-	1,975,835
Community preservation taxes.....	1,466,141	-	1,466,141
Grants and contributions not restricted to specific programs.....	2,368,601	-	2,368,601
Unrestricted investment income.....	206,490	-	206,490
Gain on sale of capital assets.....	175,692	-	175,692
<i>Transfers, net.....</i>	<u>1,345,945</u>	<u>(1,345,945)</u>	<u>-</u>
Total general revenues and transfers.....	<u>77,462,561</u>	<u>(1,345,945)</u>	<u>76,116,616</u>
Change in net position.....	(1,646,094)	2,483,093	836,999
<i>Net Position:</i>			
Beginning of year (as revised).....	<u>46,683,209</u>	<u>45,932,193</u>	<u>92,615,402</u>
End of year.....	<u>\$ 45,037,115</u>	<u>\$ 48,415,286</u>	<u>\$ 93,452,401</u>

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2015

	General	Community Preservation	Highway Chapter 90	Municipal Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents.....	\$ 19,537,168	\$ 6,521,502	\$ -	\$ 5,182,096	\$ 3,724,179	\$ 34,964,945
Investments.....	-	-	-	-	714,597	714,597
Receivables, net of uncollectibles:						
Real estate and personal property taxes.....	1,071,052	-	-	-	-	1,071,052
Tax liens.....	2,355,202	-	-	-	-	2,355,202
Motor vehicle and other excise taxes.....	608,834	-	-	-	-	608,834
Community preservation.....	-	20,734	-	-	-	20,734
Departmental and other.....	606,453	-	-	-	33,267	639,720
Intergovernmental.....	-	454,000	1,239,649	-	67,794	1,761,443
Tax foreclosures.....	655,028	-	-	-	-	655,028
Due from other funds.....	504,976	-	-	-	-	504,976
TOTAL ASSETS.....	\$ 25,338,713	\$ 6,996,236	\$ 1,239,649	\$ 5,182,096	\$ 4,539,837	\$ 43,296,531
LIABILITIES						
Warrants payable.....	\$ 1,138,843	\$ 17,452	\$ -	\$ 785,689	\$ 51,899	\$ 1,993,883
Accrued payroll.....	2,870,160	-	-	-	143,069	3,013,229
Tax refunds payable.....	2,020,000	-	-	-	-	2,020,000
Liabilities due depositors.....	106,160	-	-	-	-	106,160
Other liabilities.....	77,567	-	-	-	-	77,567
Due to other funds.....	-	-	504,976	-	-	504,976
TOTAL LIABILITIES.....	6,212,730	17,452	504,976	785,689	194,968	7,715,815
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues.....	5,185,574	474,734	734,673	-	33,267	6,428,248
FUND BALANCES						
Nonspendable.....	-	-	-	-	29,257	29,257
Restricted.....	693,398	6,504,050	-	4,396,407	4,282,345	15,876,200
Assigned.....	293,410	-	-	-	-	293,410
Unassigned.....	12,953,601	-	-	-	-	12,953,601
TOTAL FUND BALANCES.....	13,940,409	6,504,050	-	4,396,407	4,311,602	29,152,468
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 25,338,713	\$ 6,996,236	\$ 1,239,649	\$ 5,182,096	\$ 4,539,837	\$ 43,296,531

See notes to basic financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION**

JUNE 30, 2015

Total governmental fund balances.....	\$ 29,152,468
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	139,763,991
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	6,428,248
Certain changes in the net pension liability are required to be included in pension expense over future periods. These changes are reported as deferred outflows of resources or (deferred inflows of resources) related to pensions.....	(209,218)
Internal service funds are used by management to account for unemployment, health insurance activities. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....	3,580,587
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(297,045)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds payable.....	(36,532,492)
Deferred charges on refunding.....	135,258
Other postemployment benefits.....	(47,339,046)
Net pension liability.....	(48,102,636)
Compensated absences.....	(1,543,000)
Net effect of reporting long-term liabilities.....	(133,381,916)
Net position of governmental activities.....	<u>\$ 45,037,115</u>

See notes to basic financial statements.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2015

	General	Community Preservation	Highway Chapter 90	Municipal Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Real estate and personal property taxes, net of tax refunds.....	\$ 64,109,047	\$ -	\$ -	\$ -	\$ -	\$ 64,109,047
Tax and utility liens.....	311,317	-	-	-	-	311,317
Payments in lieu of taxes.....	1,833,933	-	-	-	141,902	1,975,835
Community preservation taxes.....	-	1,467,987	-	-	-	1,467,987
Motor vehicle and other excise taxes.....	4,627,106	-	-	-	-	4,627,106
Charges for services.....	942,044	-	-	-	3,522,639	4,464,683
Penalties and interest on taxes.....	493,863	-	-	-	-	493,863
Licenses and permits.....	265,382	-	-	-	478,890	744,272
Fines and forfeitures.....	92,863	-	-	-	-	92,863
Intergovernmental.....	14,874,030	498,619	1,294,887	123,530	3,642,295	20,433,361
Departmental and other.....	1,719,496	-	-	-	132,223	1,851,719
Contributions.....	-	-	-	-	624,725	624,725
Investment income	148,861	37,946	-	-	19,683	206,490
TOTAL REVENUES.....	89,417,942	2,004,552	1,294,887	123,530	8,562,357	101,403,268
EXPENDITURES:						
Current:						
General government.....	2,178,390	-	-	6,471,718	205,602	8,855,710
Public safety.....	9,582,393	-	-	4,581	716,695	10,303,669
Education.....	43,046,508	-	-	-	7,117,120	50,163,628
Public works.....	5,335,369	-	1,294,887	730,488	18,200	7,378,944
Health and human services.....	1,195,496	-	-	-	497,568	1,693,064
Culture and recreation.....	895,875	2,285,150	-	-	86,760	3,267,785
Support Services.....	1,713,705	-	-	79,346	-	1,793,051
Pension benefits.....	8,326,021	-	-	-	-	8,326,021
Property and liability insurance.....	293,178	-	-	-	-	293,178
Employee benefits.....	9,663,907	-	-	-	-	9,663,907
State and county charges.....	436,946	-	-	-	-	436,946
Debt service:						
Principal.....	4,583,967	-	-	-	-	4,583,967
Interest.....	980,877	-	-	-	-	980,877
TOTAL EXPENDITURES.....	88,232,632	2,285,150	1,294,887	7,286,133	8,641,945	107,740,747
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	1,185,310	(280,598)	-	(7,162,603)	(79,588)	(6,337,479)
OTHER FINANCING SOURCES (USES):						
Issuance of bonds.....	-	-	-	7,967,257	397,743	8,365,000
Issuance of refunding bonds.....	68,526	-	-	-	-	68,526
Premium from issuance of bonds.....	291,987	-	-	-	-	291,987
Payments to refunded bond escrow agent....	(68,427)	-	-	-	-	(68,427)
Sale of capital assets.....	-	-	-	-	300,041	300,041
Transfers in.....	2,576,648	-	-	150,000	73,500	2,800,148
Transfers out.....	(223,500)	-	-	-	(204,453)	(427,953)
TOTAL OTHER FINANCING SOURCES (USES).....	2,645,234	-	-	8,117,257	566,831	11,329,322
NET CHANGE IN FUND BALANCES.....	3,830,544	(280,598)	-	954,654	487,243	4,991,843
FUND BALANCES AT BEGINNING OF YEAR.....	10,109,865	6,784,648	-	3,441,753	3,824,359	24,160,625
FUND BALANCES AT END OF YEAR.....	\$ 13,940,409	\$ 6,504,050	\$ -	\$ 4,396,407	\$ 4,311,602	\$ 29,152,468

See notes to basic financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds.....	\$ 4,991,843
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay.....	10,763,688
Depreciation expense.....	<u>(5,872,087)</u>
Net effect of reporting capital assets.....	4,891,601
<p>In the Statement of Activities, only the gain (loss) on the sale of capital assets is reported, whereas in the governmental funds the entire proceeds of the sale are reported as financial resources. As a result, the change in net position differs from the change in fund balance by the cost of the capital assets sold.....</p>	
	(124,349)
<p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue.....</p>	
	(678,949)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>	
Issuance of bonds.....	(8,365,000)
Issuance of refunding bonds.....	(68,526)
Premium from issuance of bonds.....	(291,987)
Amortization of premium from issuance of bonds.....	50,458
Payments to refunded bond escrow agent.....	68,427
Debt service principal payments.....	<u>4,583,967</u>
Net effect of reporting long-term debt.....	(4,022,661)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
Net change in compensated absences accrual.....	(69,000)
Net change in accrued interest on long-term debt.....	21,694
Net change in other postemployment benefits.....	(5,014,149)
Net change in deferred outflow/(inflow) of resources related to pensions.....	(209,218)
Net change in net pension liability.....	(99,831)
Amortization of deferred charges on refunding.....	<u>(98,135)</u>
Net effect of recording long-term liabilities and amortizing deferred losses.....	(5,468,639)
<p>Internal service funds are used by management to account for health insurance and workers' compensation activities.</p>	
The net activity of internal service funds is reported with governmental activities.....	<u>(1,234,940)</u>
Change in net position of governmental activities.....	<u>\$ (1,646,094)</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Osgood Hill	Total	Health Insurance Internal Service Fund
ASSETS					
CURRENT:					
Cash and cash equivalents.....	\$ 4,532,507	\$ 3,512,459	\$ 245,747	\$ 8,290,713	\$ 3,089,962
Receivables, net of allowance for uncollectibles:					
User fees.....	1,470,741	1,399,271	-	2,870,012	-
Utility liens.....	52,853	19,012	-	71,865	-
Intergovernmental.....	-	100,848	-	100,848	-
Working capital deposit.....	-	-	-	-	492,202
Total current assets.....	6,056,101	5,031,590	245,747	11,333,438	3,582,164
NONCURRENT:					
Receivables, net of allowance for uncollectibles:					
Intergovernmental.....	-	476,636	-	476,636	-
Capital assets, nondepreciable.....	1,982,535	123,762	4,732,085	6,838,382	-
Capital assets, net of accumulated depreciation.....	26,887,049	21,424,864	1,198,863	49,510,776	-
Total noncurrent assets.....	28,869,584	22,025,262	5,930,948	56,825,794	-
TOTAL ASSETS.....	34,925,685	27,056,852	6,176,695	68,159,232	3,582,164
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding.....	14,767	87,896	-	102,663	-
LIABILITIES					
CURRENT:					
Warrants payable.....	195,055	23,138	6,451	224,644	1,577
Accrued interest.....	39,782	91,760	-	131,542	-
Compensated absences.....	35,000	22,000	-	57,000	-
Bonds payable.....	1,090,276	1,439,325	-	2,529,601	-
Total current liabilities.....	1,360,113	1,576,223	6,451	2,942,787	1,577
NONCURRENT:					
Compensated absences.....	21,000	16,000	-	37,000	-
Other postemployment benefits.....	1,185,348	780,331	-	1,965,679	-
Net pension liability.....	1,151,505	464,974	-	1,616,479	-
Bonds payable.....	6,767,502	6,510,131	-	13,277,633	-
Total noncurrent liabilities.....	9,125,355	7,771,436	-	16,896,791	-
TOTAL LIABILITIES.....	10,485,468	9,347,659	6,451	19,839,578	1,577
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources related to pensions.....	5,008	2,023	-	7,031	-
NET POSITION					
Net investment in capital assets.....	21,944,217	15,522,277	5,930,948	43,397,442	-
Unrestricted.....	2,505,759	2,272,789	239,296	5,017,844	3,580,587
TOTAL NET POSITION.....	\$ 24,449,976	\$ 17,795,066	\$ 6,170,244	\$ 48,415,286	\$ 3,580,587

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Osgood Hill	Total	Health Insurance Internal Service Fund
OPERATING REVENUES:					
Employee contributions.....	\$ -	\$ -	\$ -	\$ -	\$ 2,373
Charges for services.....	5,526,689	4,987,787	482,778	10,997,254	-
Penalties and interest.....	24,030	26,979	-	51,009	-
TOTAL OPERATING REVENUES	5,550,719	5,014,766	482,778	11,048,263	2,373
OPERATING EXPENSES:					
Cost of service and administration.....	2,150,602	670,089	293,057	3,113,748	-
GLSD assessment.....	-	1,543,296	-	1,543,296	-
Repairs and maintenance.....	210,025	78,271	6,566	294,862	-
Depreciation.....	862,945	837,373	87,338	1,787,656	-
Employee benefits.....	-	-	-	-	242,849
TOTAL OPERATING EXPENSES	3,223,572	3,129,029	386,961	6,739,562	242,849
OPERATING INCOME (LOSS).....	2,327,147	1,885,737	95,817	4,308,701	(240,476)
NONOPERATING REVENUES (EXPENSES):					
Investment income.....	15,705	11,966	1,017	28,688	5,536
Interest expense.....	(239,735)	(352,077)	-	(591,812)	-
Intergovernmental.....	-	83,461	-	83,461	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(224,030)	(256,650)	1,017	(479,663)	5,536
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS.....	2,103,117	1,629,087	96,834	3,829,038	(234,940)
CAPITAL CONTRIBUTIONS AND TRANSFERS:					
Capital Contributions.....	-	-	26,250	26,250	-
Transfers out.....	(900,710)	(423,863)	(47,622)	(1,372,195)	(1,000,000)
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS..	(900,710)	(423,863)	(21,372)	(1,345,945)	(1,000,000)
CHANGE IN NET POSITION.....	1,202,407	1,205,224	75,462	2,483,093	(1,234,940)
NET POSITION AT BEGINNING OF YEAR (AS REVISED)....	23,247,569	16,589,842	6,094,782	45,932,193	4,815,527
NET POSITION AT END OF YEAR.....	\$ 24,449,976	\$ 17,795,066	\$ 6,170,244	\$ 48,415,286	\$ 3,580,587

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities- Health Insurance Internal Service Fund
	Water	Sewer	Osgood Hill	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users.....	\$ 5,457,892	\$ 5,080,687	\$ 482,778	\$ 11,021,357	\$ 2,373
Payments to vendors.....	(1,222,996)	(1,835,458)	(176,581)	(3,235,035)	-
Payments to employees.....	(952,135)	(384,892)	(132,987)	(1,470,014)	-
Payments for interfund services used.....	-	-	-	-	(176,956)
NET CASH FROM OPERATING ACTIVITIES.....	3,282,761	2,860,337	173,210	6,316,308	(174,583)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers out.....	(900,710)	(423,863)	(47,622)	(1,372,195)	(1,000,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from the issuance of refunding bonds.....	-	1,001,474	-	1,001,474	-
Capital contributions.....	-	-	26,250	26,250	-
Acquisition and construction of capital assets.....	(550,067)	(583,874)	(26,250)	(1,160,191)	-
Principal payments on bonds.....	(1,464,696)	(1,674,815)	-	(3,139,511)	-
Payment to refunded bond escrow agent.....	-	(964,404)	-	(964,404)	-
Interest expense.....	(235,855)	(268,714)	-	(504,569)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(2,250,618)	(2,490,333)	-	(4,740,951)	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income.....	15,705	11,966	1,017	28,688	5,536
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	147,138	(41,893)	126,605	231,850	(1,169,047)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	4,385,369	3,554,352	119,142	8,058,863	4,259,009
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 4,532,507	\$ 3,512,459	\$ 245,747	\$ 8,290,713	\$ 3,089,962
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:					
Operating income (loss).....	\$ 2,327,147	\$ 1,885,737	\$ 95,817	\$ 4,308,701	\$ (240,476)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation.....	862,945	837,373	87,338	1,787,656	-
Deferred (outflows)/inflows related to pensions.....	5,008	2,023	-	7,031	-
Changes in assets and liabilities:					
User fees.....	(104,090)	40,796	-	(63,294)	-
Utility liens.....	11,263	25,125	-	36,388	-
Working capital deposit.....	-	-	-	-	69,055
Warrants payable.....	89,504	3,051	(5,945)	86,610	(3,162)
Accrued compensated absences.....	6,000	2,000	(4,000)	4,000	-
Other postemployment benefits.....	82,594	63,267	-	145,861	-
Net pension liability.....	2,390	965	-	3,355	-
Total adjustments.....	955,614	974,600	77,393	2,007,607	65,893
NET CASH FROM OPERATING ACTIVITIES.....	\$ 3,282,761	\$ 2,860,337	\$ 173,210	\$ 6,316,308	\$ (174,583)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Intergovernmental debt service subsidy (MCWT).....	\$ -	\$ 100,619	\$ -	\$ 100,619	\$ -
Net change in deferred charges.....	11,528	26,852	-	38,380	-

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2015

	Private Purpose Trust Funds	Agency Funds
ASSETS		
CURRENT:		
Cash and cash equivalents.....	\$ 104,258	\$ 3,773,141
LIABILITIES		
Warrants payable.....	-	822
Liabilities due depositors.....	-	3,772,319
TOTAL LIABILITIES.....	-	3,773,141
NET POSITION		
Held in trust for other purposes.....	\$ 104,258	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2015

	Private Purpose Trust Funds
<u>ADDITIONS:</u>	
Contributions:	
Private donations.....	\$ 12,419
Net investment income:	
Interest.....	<u>103</u>
TOTAL ADDITIONS.....	<u>12,522</u>
CHANGE IN NET POSITION.....	12,522
NET POSITION AT BEGINNING OF YEAR.....	<u>91,736</u>
NET POSITION AT END OF YEAR.....	<u>\$ 104,258</u>

See notes to basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of North Andover, Massachusetts (Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

A. Reporting Entity

The Town is a municipal corporation that is governed by an elected Board of Selectmen (Board). For financial reporting purposes, the Town has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. It has been determined that there are no component units that meet the requirements for inclusion in the Town's financial statements.

Joint Venture

A joint venture is an organization (resulting from a contractual arrangement) that is owned, operated and governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture.

The Town participates in the following joint ventures with other municipalities to pool resources and share the costs, risks, and rewards of providing goods and services to venture participants directly, or for the benefit of the general public or specified recipients.

Greater Lawrence Sanitary District (GLSD)

GLSD operates a wastewater treatment plant for five member communities and is located within the Town. The GLSD is governed by a seven member board consisting of one appointed representative from the Town. The Town is indirectly liable for the GLSD's debt and other expenditures and is assessed annually for its share of operating and capital costs. For the year ended June 30, 2015, the Town's assessment totaled \$1,543,296. Separate financial statements may be obtained by writing to the Treasurer of the GLSD at 240 Charles Street, North Andover, MA 01845.

Greater Lawrence Regional Technical Vocational School (GLRTVS)

The Town is a member of the GLRTVS that serves the members' students seeking an education in academic and technical. The GLRTVS is governed by a seven member school committee consisting of one elected representative from the Town. The Town is indirectly liable for the GLRTVS' debt and other expenditures and is assessed annually for its share of operating and capital costs. For the year ended June 30, 2015, the Town's assessment totaled \$297,571. Separate financial statements may be obtained by writing to the Treasurer of the GLRTVS at 57 River Road, Andover, MA 01810.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets, deferred outflows of resources, liabilities, deferred inflows of resources, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *community preservation fund* is a special revenue fund used to account for the 3% local real estate tax surcharge on nonexempt property (and matching state trust fund distribution) that can be used for open space, historic resource and affordable housing purposes. Property exempt from the surcharge consists of the first \$100,000 of all residential property and also property owned by low income seniors with a low or moderate income as defined by Massachusetts Department of Revenue (DOR) guidelines. Disbursements from this fund must originate from the Community Preservation Committee and be approved by Town Meeting.

The *highway chapter 90 fund* is a capital projects fund used to account for activities reimbursed through the State's Chapter 90 highway improvement program.

The *municipal capital projects fund* is used to account for the acquisition of non-school related capital assets that are funded through both appropriations and borrowings.

The nonmajor governmental funds consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds or capital projects.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

The *permanent fund* is used to account for and report financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principle ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major proprietary funds are reported:

The *water enterprise fund* is used to account for the water activities.

The *sewer enterprise fund* is used to account for the sewer activities.

The *Osgood Hill enterprise fund* is used to account for the operation of Osgood Hill Estate activities.

Additionally, the following proprietary fund type is reported:

The *internal service fund* is used to account for the financing of services provided by one department to other departments or governmental units. This fund is used to account for risk financing activities related to employees' health insurance.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting, except for agency funds which have no measurement focus. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and trustee policies only allows the trustees to authorize spending of the realized investment earnings. The Town's educational scholarship trusts are accounted for in this fund.

The *agency fund* is used to account for assets held in a custodial capacity. Such assets consist primarily of performance bonds and bid deposits. Agency funds do not present the results of operations or have a measurement focus.

D. Cash and Investments

Government-Wide and Fund Financial Statements

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

E. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date.

Real estate tax liens are processed one year after the close of the valuation year on delinquent properties and are recorded as receivables in the year they are processed.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Motor Vehicle Excise

Motor vehicle excise taxes are assessed annually for each vehicle registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Community Preservation Surcharges

Community preservation surcharges are levied annually at a rate of 3% of resident's real estate tax bills with exemptions for the first \$100,000 of residential property and property owned by qualified persons with low income and seniors (60+) with low or moderate income defined by DOR guidelines. The surcharge is due with the real estate tax on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Overdue surcharges are included on the tax liens processed on delinquent real estate taxes. Surcharges are recorded as receivables in the year of the levy.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Water and Sewer User Charges and Utility Liens

User fees are levied monthly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Water and sewer liens are processed approximately six months after the end of the year and are included as a lien on the property owner's tax bill. Water and sewer charges and liens are recorded as receivables in the year of the levy.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Departmental and Other

Departmental and other receivables consist primarily of amounts due from ambulance charges and police details. These receivables are recorded when the applicable service has been performed.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Intergovernmental

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

F. Inventories*Government-Wide and Fund Financial Statements*

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the government-wide and fund financial statements, and therefore are not reported.

G. Capital Assets*Government-Wide and Proprietary Fund Financial Statements*

Capital assets, which include land, land improvements, buildings and improvements, machinery and equipment, library books, vehicles, infrastructure (e.g., roads, treatment plants, pump stations, sewer mains and similar items) and construction-in-progress, are reported in the applicable governmental or business-type activity column of the government-wide financial statements and in the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land improvements.....	20-30
Buildings and improvements.....	7-50
Machinery and equipment.....	3-20
Library books.....	10
Vehicles.....	5
Treatment plants.....	10-40
Pump stations.....	20-40
Reservoirs.....	20-40
Infrastructure.....	20-60

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the year of the purchase.

H. Deferred Outflows/Inflows of Resources*Government-Wide Financial Statements (Net Position)*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The Town has reported deferred charges on refunding in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has reported deferred inflows of resources related to pensions in this category.

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents assets that have been recorded in the governmental fund financial statements but the revenue is not available and so will *not* be recognized as an inflow of resources (revenue) until it becomes available. The Town has reported unavailable revenues from property taxes in this category.

I. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as "internal balances".

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

J. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

Government-Wide Financial Statements

Transfers between and within governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers, net".

Fund Financial Statements

Transfers between and within funds are not eliminated from the individual fund statements and are reported as transfers in and transfers out.

K. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

Net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets.

Net position is reported as restricted when amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has been “restricted for” the following:

“Debt service” represents amounts accumulated from the Massachusetts School Building Authority (MSBA) to reduce school construction excluded debt service costs over the life of the loans.

“Community preservation” represents amounts restricted for the purpose of acquiring land for conservation, recreational, and affordable housing purposes.

“Permanent funds – expendable” represents the amount of realized and unrealized investment earnings of donor restricted trusts. The donor restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings that support governmental programs.

“Permanent funds - nonexpendable” represents the endowment portion of donor restricted trusts that support governmental programs.

“Gifts and grants” represents restrictions placed on assets from outside parties.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Financial Statements (Fund Balances)

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town Meeting is the highest level of decision-making authority for the government that can, by adoption of an article prior to the end of the year, commit fund balance. Once adopted, the limitation imposed by the article remains in place until a similar action is taken to remove or revise the limitation.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. Town Meeting may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Town’s spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

L. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Essex Regional Retirement System and the Massachusetts Teachers Retirement System and additions to/deductions from the Systems fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Investment Income

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

O. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies. Compensated absence liabilities related to both governmental and business-type activities are normally paid from the funds reporting payroll and related expenditures. Compensated absences are reported in governmental funds only if they have matured.

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

P. Use of Estimates*Government-Wide and Fund Financial Statements*

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

Q. Total Column*Government-Wide Financial Statements*

The total column presented on the government-wide financial statements represents consolidated financial information.

Fund Financial Statements

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

R. Appropriation Deficits

A general fund appropriation deficit was reported in public works relating to snow and ice costs. This deficit will be raised in the subsequent year tax levy.

NOTE 2 - CASH AND INVESTMENTS

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and Cash Equivalents." The deposits and investments of the trust funds are held separately from those of other funds.

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth. In addition, there are various restrictions limiting the amount and length of deposits and investments.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy is to minimize custodial credit risk by only investing in highly rated banks, which is determined through the utilization of a bank rating service. At year-end, the carrying amount of deposits totaled \$44,616,926 and the bank balance totaled \$45,824,001. Of the bank balance, \$2,905,235 was covered by Federal Depository Insurance, \$30,228,837 was covered by the Depositor's Insurance Fund, \$12,555,656 was collateralized and \$134,273 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Interest Rate Risk

The Town's investment policy limits investment maturities to one year as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town participates in MMDT, which maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately three months.

As of June 30, 2015, the Town had the following investments and maturities:

		Maturities	
Investment Type	Fair Value	1-5 Years	6-10 Years
<u>Debt Securities</u>			
Bond Mutual Funds.....	\$ 97,752	\$ -	\$ 97,752
Repurchase Agreements.....	920,000	920,000	-
Total Debt Securities.....	1,017,752	\$ 920,000	\$ 97,752
<u>Other Investments</u>			
Equity Mutual Funds.....	616,845		
Money Market Mutual Funds.....	10,132		
MMDT.....	4,675,961		
Total Investments.....	\$ 6,320,690		

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Town did not have investments that were exposed to custodial credit risk. The Town's policy to minimize custodial credit risk is to obtain from brokerage houses and broker/dealers 1) audited financial statements, 2) proof of National Association of Security Dealers certification, 3) a statement that the dealer has read the Town's investment policy and will comply with it and 4) be in business for no less than five years and have a minimum capitalization of \$10 million.

Credit Risk

Standard and Poor's Investors Service rated the \$97,752 of bond mutual funds AA. The \$920,000 of repurchase agreements and \$4,675,961 of MMDT deposits were unrated. The Town's investment policy limits investments in debt securities to U.S. Treasuries and U.S. Agency Obligations, which are AA rated and like-kind investments that are fully collateralized.

Concentration of Credit Risk

The Town limits the amount the Town may invest in any one issuer to 10%. The Town does not have investments in corporate bonds or equity securities and therefore does not have exposure to concentration of credit risk.

NOTE 3 - RECEIVABLES

At June 30, 2015, receivables for the individual major and non-major governmental funds including the applicable allowances for uncollectible accounts are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes..... \$	1,211,052	\$ (140,000)	\$ 1,071,052
Tax liens.....	2,355,202	-	2,355,202
Motor vehicle and other excise taxes.....	1,012,834	(404,000)	608,834
Community preservation surcharges.....	20,734	-	20,734
Departmental and other.....	955,179	(315,459)	639,720
Intergovernmental.....	1,761,443	-	1,761,443
Total..... \$	<u>7,316,444</u>	<u>\$ (859,459)</u>	<u>\$ 6,456,985</u>

At June 30, 2015, receivables for the water and sewer enterprise funds are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
User charges..... \$	2,870,012	\$ -	\$ 2,870,012
Utility liens.....	71,865	-	71,865
Intergovernmental.....	577,484	-	577,484
	<u>\$ 3,519,361</u>	<u>\$ -</u>	<u>\$ 3,519,361</u>

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	General Fund	Other Governmental Funds	Total
<u>Receivable and other asset type:</u>			
Real estate and personal property taxes..... \$	960,057	\$ -	\$ 960,057
Tax liens.....	2,355,202	-	2,355,202
Motor vehicle and other excise taxes.....	608,834	-	608,834
Community preservation surcharges.....	-	20,734	20,734
Departmental and other.....	606,453	33,267	639,720
Intergovernmental (highway construction assistance).....	-	734,673	734,673
Intergovernmental (CPA state match).....	-	454,000	454,000
Tax foreclosures.....	655,028	-	655,028
Total..... \$	<u>5,185,574</u>	<u>\$ 1,242,674</u>	<u>\$ 6,428,248</u>

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, is as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land..... \$	22,158,954	\$ -	\$ (13,541)	\$ 22,145,413
Construction in progress.....	3,272,828	3,446,648	(3,104,204)	3,615,272
Total capital assets not being depreciated....	<u>25,431,782</u>	<u>3,446,648</u>	<u>(3,117,745)</u>	<u>25,760,685</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	3,257,450	1,684,782	-	4,942,232
Buildings and building improvements.....	139,424,761	6,074,741	(445,552)	145,053,950
Machinery and equipment.....	9,359,638	313,826	-	9,673,464
Library books.....	4,422,940	94,259	-	4,517,199
Vehicles.....	6,011,804	476,024	(248,371)	6,239,457
Infrastructure.....	39,931,375	1,777,612	-	41,708,987
Total capital assets being depreciated.....	<u>202,407,968</u>	<u>10,421,244</u>	<u>(693,923)</u>	<u>212,135,289</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(2,459,396)	(134,561)	-	(2,593,957)
Buildings and improvements.....	(55,952,072)	(3,357,895)	334,744	(58,975,223)
Machinery and equipment.....	(6,158,560)	(656,899)	-	(6,815,459)
Library books.....	(4,092,371)	(49,354)	-	(4,141,725)
Vehicles.....	(3,676,891)	(359,786)	248,371	(3,788,306)
Infrastructure.....	(20,503,721)	(1,313,592)	-	(21,817,313)
Total accumulated depreciation.....	<u>(92,843,011)</u>	<u>(5,872,087)</u>	<u>583,115</u>	<u>(98,131,983)</u>
Total capital assets being depreciated, net.....	<u>109,564,957</u>	<u>4,549,157</u>	<u>(110,808)</u>	<u>114,003,306</u>
Total governmental activities capital assets, net.... \$	<u>134,996,739</u>	<u>\$ 7,995,805</u>	<u>\$ (3,228,553)</u>	<u>\$ 139,763,991</u>

Business-Type Activities:	<u>Ending Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 6,097,262	\$ -	\$ -	\$ 6,097,262
Construction in progress.....	741,120	-	-	741,120
Total capital assets not being depreciated....	6,838,382	-	-	6,838,382
<u>Capital assets being depreciated:</u>				
Land improvements.....	232,105	-	-	232,105
Buildings and improvements.....	2,408,397	479,104	-	2,887,501
Machinery and equipment.....	2,685,373	18,915	-	2,704,288
Vehicles.....	569,243	76,779	(52,999)	593,023
Treatment plants.....	16,573,234	-	-	16,573,234
Pump stations.....	4,573,935	447,698	-	5,021,633
Reservoirs.....	1,477,296	-	-	1,477,296
Infrastructure.....	55,312,425	137,695	-	55,450,120
Total capital assets being depreciated.....	83,832,008	1,160,191	(52,999)	84,939,200
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(128,206)	(9,619)	-	(137,825)
Buildings and improvements.....	(963,277)	(106,540)	-	(1,069,817)
Machinery and equipment.....	(1,332,952)	(145,032)	-	(1,477,984)
Vehicles.....	(403,602)	(38,561)	52,999	(389,164)
Treatment plants.....	(11,153,768)	(422,656)	-	(11,576,424)
Pump stations.....	(2,466,052)	(108,656)	-	(2,574,708)
Reservoirs.....	(1,278,222)	(20,471)	-	(1,298,693)
Infrastructure.....	(15,967,688)	(936,121)	-	(16,903,809)
Total accumulated depreciation.....	(33,693,767)	(1,787,656)	52,999	(35,428,424)
Total capital assets being depreciated, net.....	50,138,241	(627,465)	-	49,510,776
Total business-type activities capital assets, net....	\$ 56,976,623	\$ (627,465)	\$ -	\$ 56,349,158

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government.....	\$ 312,632
Public safety.....	561,541
Education.....	2,953,670
Public works.....	1,700,072
Human services.....	147,863
Culture and recreation.....	196,309

Total depreciation expense - governmental activities..... \$ 5,872,087

Business-Type Activities:

Water.....	\$ 862,945
Sewer.....	837,373
Osgood Hill.....	87,338

Total depreciation expense - business-type activities..... \$ 1,787,656

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables totaled \$504,976 as of June 30, 2015 and consisted entirely of amounts due to the general fund from the highway chapter 90 fund. The outstanding balance resulted from the time lag between the dates that reimbursable expenditures are incurred and reimbursements from the Massachusetts Highway Department are received.

Interfund transfers for the year ended June 30, 2015, are summarized as follows:

Operating Transfers Out:	Operating Transfers In:			
	General Fund	Municipal Capital Projects	Nonmajor Governmental Funds	Total
General Fund.....	\$ -	\$ 150,000	\$ 73,500	\$ 223,500 (1)
Nonmajor Governmental Funds.....	204,453	-	-	204,453 (2)
Water Enterprise Fund.....	900,710	-	-	900,710 (3)
Sewer Enterprise Fund.....	423,863	-	-	423,863 (3)
Osgood Hill Enterprise Fund.....	47,622	-	-	47,622 (3)
Health Insurance Internal Service Fund.....	1,000,000	-	-	1,000,000 (4)
Total.....	<u>\$ 2,576,648</u>	<u>\$ 150,000</u>	<u>\$ 73,500</u>	<u>\$ 2,800,148</u>

- (1) Budgeted transfers from the general fund to the municipal capital projects fund and the nonmajor school capital projects fund.
 (2) Budgeted transfers to the general fund from available funds.
 (3) Budgeted transfers to the general fund for indirect costs.
 (4) Voted transfer from the health insurance internal service fund to the OPEB stabilization fund.

NOTE 6 – LEASESOperating Lease

The Town entered into a commercial lease for office space for the Schools Business Office. The original lease was extended and currently expires November 30, 2016. The future minimum lease payments are as follows:

<u>Years Ending June 30,</u>	<u>Governmental Activities</u>
2016.....	\$ 85,199
2017.....	<u>28,125</u>
Total.....	<u>\$ 113,324</u>

NOTE 7 - SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund and enterprise funds, respectively.

Details related to the short-term debt activity for the year ended June 30, 2015, are as follows:

Type	Purpose	Rate (%)	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
BAN	Facilities master plan.....	0.45	6/18/2015	\$ 660,000	\$ -	\$ 660,000	\$ -

NOTE 8 - LONG-TERM DEBT

State law permits the Town, under the provisions of Chapter 44, Section 10, to authorize indebtedness up to a limit of 5% of its equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." In addition, however, a Town may authorize debt in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

In order to take advantage of favorable interest rates, the Town issued \$1,070,000 of general obligation refunding bonds on June 15, 2015. \$1,030,000 of general obligation bonds were advance refunded by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service payments of the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$44,513. This amount is being netted against the new debt and amortized over the life of the refunding debt, which is the same as the remaining life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 13 years by \$179,588 and resulted in an economic gain of \$157,945. At June 30, 2015, \$1,030,000 of bonds outstanding from the advance refunding is considered defeased.

Details related to the outstanding indebtedness at June 30, 2015, and the debt service requirements are as follows:

Bonds Payable – Governmental Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Beginning Balance	Additions	Reductions	Ending Balance
Municipal Purpose Loan of 2004.....	2016	12,705,555	2.00 - 5.00	\$ 355,498	\$ -	\$ 315,000	\$ 40,498
Municipal Purpose Loan of 2005.....	2025	8,205,261	3.00 - 4.00	81,887	-	81,887	-
Municipal Purpose Loan of 2007.....	2016	406,805	3.60 - 4.50	79,900	-	39,950	39,950
Municipal Purpose Loan of 2008.....	2028	1,486,026	4.00 - 4.40	604,368	-	190,038	414,330
Land Acquisition - Refunding.....	2018	2,960,000	3.00 - 4.00	1,295,000	-	305,000	990,000
Municipal Purpose Loan of 2008 - Refunding..	2019	9,540,000	3.00 - 4.00	4,325,000	-	960,000	3,365,000
Municipal Purpose Loan of 2009.....	2029	7,122,134	2.75 - 5.00	4,229,542	-	549,777	3,679,765
Municipal Purpose Loan of 2010.....	2029	4,171,222	2.25 - 4.00	2,860,000	-	250,000	2,610,000
Municipal Purpose Loan of 2011.....	2021	4,365,353	2.00 - 3.75	2,857,500	-	502,500	2,355,000
Municipal Purpose Loan of 2012.....	2029	3,255,348	2.00 - 2.50	2,517,602	-	364,701	2,152,901
Municipal Purpose Loan of 2013.....	2022	926,199	2.00 - 3.00	747,110	-	178,460	568,650
Municipal Purpose Loan of 2014 - Refunding..	2026	4,010,000	2.00 - 3.25	4,010,000	-	380,000	3,630,000
Municipal Purpose Loan of 2014.....	2034	8,181,497	2.00 - 3.25	8,181,497	-	532,249	7,649,248
Municipal Purpose Loan of 2015 - Refunding..	2028	68,526	2.00 - 4.00	-	68,526	-	68,526
Municipal Purpose Loan of 2015.....	2035	8,365,000	2.00 - 4.00	-	8,365,000	-	8,365,000
Sub-total.....				32,144,904	8,433,526	4,649,562	35,928,868
Unamortized premium.....				362,095	291,987	50,458	603,624
Total governmental bonds payable.....				\$ 32,506,999	\$ 8,725,513	\$ 4,700,020	\$ 36,532,492

Debt service requirements for principal and interest for Governmental bonds payable in future years are as follows:

Year	Principal	Interest	Total
2016.....	\$ 4,785,625	\$ 1,031,689	\$ 5,817,314
2017.....	4,614,038	962,113	5,576,151
2018.....	4,418,368	815,955	5,234,323
2019.....	2,843,567	681,868	3,525,435
2020.....	2,219,240	587,776	2,807,016
2021.....	2,079,236	520,485	2,599,721
2022.....	1,721,736	458,854	2,180,590
2023.....	1,663,718	403,441	2,067,159
2024.....	1,668,749	349,092	2,017,841
2025.....	1,580,400	302,977	1,883,377
2026.....	1,250,399	259,674	1,510,073
2027.....	1,115,023	221,187	1,336,210
2028.....	1,098,771	184,511	1,283,282
2029.....	1,084,998	149,616	1,234,614
2030.....	680,000	115,309	795,309
2031.....	685,000	96,064	781,064
2032.....	695,000	75,781	770,781
2033.....	700,000	54,019	754,019
2034.....	700,000	32,094	732,094
2034.....	325,000	10,156	335,156
Totals.....	\$ 35,928,868	\$ 7,312,661	\$ 43,241,529

Bonds Payable – Water Enterprise Fund

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Beginning Balance	Additions	Reductions	Ending Balance
Municipal Purpose Loan of 2003.....	2015	\$ 4,401,970	2.30 - 4.00	\$ 135,902	\$ -	\$ 135,902	\$ -
Municipal Purpose Loan of 2004 - Refunding..	2016	985,438	2.00 - 4.20	189,499	-	95,000	94,499
Municipal Purpose Loan of 2005.....	2016	2,942,000	3.00 - 4.00	243,202	-	243,202	-
Municipal Purpose Loan of 2007.....	2016	815,000	3.60 - 4.50	163,000	-	81,500	81,500
MCWT.....	2028	5,532,288	2.00	4,104,234	-	256,585	3,847,649
Municipal Purpose Loan of 2008.....	2018	1,000,000	3.70 - 5.0 0	400,000	-	100,000	300,000
Municipal Purpose Loan of 2008 - Refunding..	2018	1,888,108	3.00 - 4.00	160,000	-	40,000	120,000
Municipal Purpose Loan of 2009.....	2019	450,000	2.75 - 5.00	225,000	-	45,000	180,000
Municipal Purpose Loan of 2010.....	2030	2,025,000	2.25 - 4.00	1,510,000	-	150,000	1,360,000
Municipal Purpose Loan of 2011.....	2021	225,000	2.00 - 3.75	157,500	-	22,500	135,000
Municipal Purpose Loan of 2012.....	2022	1,175,000	2.00 - 2.50	940,000	-	117,500	822,500
Municipal Purpose Loan of 2013.....	2022	795,000	2.00 - 3.00	707,890	-	86,540	621,350
Municipal Purpose Loan of 2014 - Refunding..	2016	119,056	2.00 - 3.25	119,056	-	59,528	59,528
Municipal Purpose Loan of 2014.....	2024	267,191	2.00 - 3.25	267,191	-	31,439	235,752
Total Water Enterprise bonds payable.....				\$ 9,322,474	\$ -	\$ 1,464,696	\$ 7,857,778

Debt service requirements for principal and interest for Water Enterprise fund bonds and notes payable in future years are as follows:

Year	Principal	Interest	Total
2016.....	\$ 1,090,276	\$ 192,003	\$ 1,282,279
2017.....	860,037	162,634	1,022,671
2018.....	860,432	139,129	999,561
2019.....	721,077	115,857	836,934
2020.....	627,255	98,111	725,366
2021.....	607,983	84,023	692,006
2022.....	591,328	70,943	662,271
2023.....	388,108	57,973	446,081
2024.....	394,191	49,064	443,255
2025.....	378,397	39,708	418,105
2026.....	384,729	30,777	415,506
2027.....	391,188	21,717	412,905
2028.....	397,777	12,528	410,305
2029.....	65,000	6,600	71,600
2030.....	100,000	4,000	104,000
Totals.....	\$ 7,857,778	\$ 1,085,065	\$ 8,942,843

Bonds Payable – Sewer Enterprise Fund

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Beginning Balance	Additions	Reductions	Ending Balance
MCWT.....	2021	\$ 7,356,555	3.70 - 5.40	\$ 2,577,280	\$ -	\$ 523,826	\$ 2,053,454
Municipal Purpose Loan of 2003.....	2018	4,091,216	2.30 - 3.70	34,095	-	34,095	-
Municipal Purpose Loan of 2005.....	2016	1,979,739	3.00 - 4.00	159,911	-	159,911	-
Municipal Purpose Loan of 2007.....	2016	720,000	3.60 - 4.50	187,100	-	93,550	93,550
Municipal Purpose Loan of 2008.....	2028	3,925,290	3.70 - 5.00	2,855,634	-	1,169,961	1,685,673
Municipal Purpose Loan of 2008 - Refunding...	2019	1,156,892	3.00 - 4.00	460,456	-	110,223	350,233
Municipal Purpose Loan of 2010.....	2022	3,830,001	2.75 - 5.00	2,220,001	-	330,000	1,890,001
Municipal Purpose Loan of 2010 - Refunding...	2020	250,000	2.25 - 3.50	150,000	-	25,000	125,000
Municipal Purpose Loan of 2012.....	2022	78,000	2.00 - 2.50	62,400	-	7,800	54,600
Municipal Purpose Loan of 2013 - Refunding...	2018	1,145,000	2.00 - 3.00	899,999	-	245,000	654,999
Municipal Purpose Loan of 2014 - Refunding...	2016	80,944	2.00 - 3.25	80,944	-	40,472	40,472
Municipal Purpose Loan of 2015 - Refunding...	2028	1,001,474	2.00 - 4.00	-	1,001,474	-	1,001,474
Total Sewer Enterprise bonds payable.....				\$ 9,687,820	\$ 1,001,474	\$ 2,739,838	\$ 7,949,456

Debt service requirements for principal and interest for Sewer Enterprise fund bonds and notes payable in future years are as follows:

Year	Principal	Interest	Total
2016.....	\$ 1,439,325	\$ 279,229	\$ 1,718,554
2017.....	1,142,982	233,587	1,376,569
2018.....	1,158,652	188,043	1,346,695
2019.....	968,313	142,967	1,111,280
2020.....	907,081	105,050	1,012,131
2021.....	657,082	73,269	730,351
2022.....	507,081	51,701	558,782
2023.....	214,282	32,973	247,255
2024.....	209,251	24,141	233,392
2025.....	204,601	19,956	224,557
2026.....	194,601	15,660	210,261
2027.....	184,977	9,822	194,799
2028.....	161,228	4,272	165,500
Totals.....	\$ 7,949,456	\$ 1,180,670	\$ 9,130,126

The Sewer Enterprise Fund is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$577,484 and interest costs of \$236,363. Thus, net MCWT loan repayments, including interest, are scheduled to be \$1,524,409. The principal subsidies are guaranteed and therefore a \$577,484 intergovernmental receivable has been reported in the proprietary fund financial statements. Since the Town is legally obligated for the total amount of the debt, such amounts have been recorded in the accompanying basic financial statements. The 2015 principal and interest subsidies totaled \$99,509 and \$84,571, respectively.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2015, the Town had the following authorized and unissued debt.

Purpose	Amount
Revenue billing system.....	\$ 75,000
Fire chief vehicle.....	4,727
Energy efficiency improvements to buildings.....	775,598
Sewer utility truck.....	75,683
Total.....	<u>\$ 931,008</u>

Changes in Long-term Liabilities

During the year ended June 30, 2015, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities:					
Long-term bonds.....	\$ 32,144,904	\$ 8,433,526	\$ (4,649,562)	\$ 35,928,868	\$ 4,785,625
Unamortized premium.....	362,095	291,987	(50,458)	603,624	72,161
Bonds payable, net.....	32,506,999	8,725,513	(4,700,020)	36,532,492	4,857,786
Other postemployment benefits.....	42,324,897	7,849,900	(2,835,751)	47,339,046	-
Compensated absences.....	1,474,000	873,000	(804,000)	1,543,000	875,000
Net Pension Liability.....	48,002,805	99,831	-	48,102,636	-
Total governmental.....	<u>\$ 124,308,701</u>	<u>\$ 17,548,244</u>	<u>\$ (8,339,771)</u>	<u>\$ 133,517,174</u>	<u>\$ 5,732,786</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Business-Type Activities:					
Long-term bonds.....	\$ 19,010,294	\$ 1,001,474	\$ (4,204,534)	\$ 15,807,234	\$ 2,529,601
Other postemployment benefits.....	1,819,818	228,353	(82,492)	1,965,679	-
Compensated absences.....	90,000	61,000	(57,000)	94,000	57,000
Net Pension Liability.....	1,613,124	3,355	-	1,616,479	-
Total business-type.....	<u>\$ 22,533,236</u>	<u>\$ 1,294,182</u>	<u>\$ (4,344,026)</u>	<u>\$ 19,483,392</u>	<u>\$ 2,586,601</u>

The governmental activities long-term liabilities are generally liquidated by the general fund and the business-type activities long-term liabilities are generally liquidated by the applicable enterprise fund.

NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose

Massachusetts General Law Ch.40 §5B allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body.

At year end the balance of the general stabilization fund, capital stabilization fund, and OPEB stabilization fund was \$4,208,044, \$455,124, and \$1,007,937, respectively. All three stabilization funds are reported as unassigned fund balance within the general fund.

The Town has classified its fund balances with the following hierarchy.

	General	Community Preservation	Municipal Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES					
Nonspendable:					
Permanent fund principal..... \$	- \$	- \$	- \$	29,257 \$	29,257
Restricted for:					
Municipal federal and state grants.....	-	-	-	105,860	105,860
Receipts reserved for appropriations.....	-	-	-	146,481	146,481
Municipal revolving funds.....	-	-	-	562,478	562,478
Education revolving funds.....	-	-	-	298,582	298,582
School lunch funds.....	-	-	-	35,114	35,114
Other special revenue funds.....	-	-	-	1,090,413	1,090,413
Affordable housing trust fund.....	-	-	-	1,031,649	1,031,649
Other trust funds.....	-	-	-	243,721	243,721
Education capital projects.....	-	-	-	38,248	38,248
Other permanent funds.....	-	-	-	729,799	729,799
Debt service.....	693,398	-	-	-	693,398
CPA fund.....	-	6,504,050	-	-	6,504,050
Municipal capital projects.....	-	-	4,396,407	-	4,396,407
Assigned to:					
Encumbrances:					
General government.....	30,433	-	-	-	30,433
Public safety.....	52,287	-	-	-	52,287
Education.....	64,968	-	-	-	64,968
Public works.....	99,169	-	-	-	99,169
Support services.....	43,664	-	-	-	43,664
Employee benefits.....	2,889	-	-	-	2,889
Unassigned.....	12,953,601	-	-	-	12,953,601
TOTAL FUND BALANCES..... \$	13,940,409 \$	6,504,050 \$	4,396,407 \$	4,311,602 \$	29,152,468

NOTE 10 - RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The Town participates in a premium-based workers' compensation plan for its active and retired employees. The amount of claim settlements has not exceeded insurance coverage in any of the three preceding years.

Health Insurance

In 2013 the Town joined the Commonwealth of Massachusetts' group insurance plan which is a premium based health insurance plan. Since that time the internal service fund has accounted for residual health insurance claims. As of June 30, 2015, there was no remaining liability for incurred but not reported claims; changes in the reported liability since July 1, 2013, are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
Year 2014.....	\$ 686,000	\$ 6,968,000	\$ (7,654,000)	\$ -

NOTE 11 - PENSION PLAN

The Town is a member of the Essex Regional Retirement System (ERRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 47 member units. The system is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The audited financial report may be obtained by visiting <http://www.essexregional.com>.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2014. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$4,566,906 is reported in the general fund as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$65,734,720 as of the measurement date.

Benefits Provided

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service. There were no changes in benefit terms that affected the measurement of the total pension liability at December 31, 2014.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the ERRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution equaled its actual contribution for the year ended December 31, 2014 was \$3,759,115, 19.99% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities

At June 30, 2015, the Town reported a liability of \$49,719,115 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At December 31, 2014, the Town's proportion was 14.7%, which did not change from its proportion measured at December 31, 2013.

Pension Expense

For the year ended June 30, 2015, the Town recognized pension expense of \$4,078,550. At June 30, 2015, the Town reported deferred inflows of resources related to pensions of \$216,249, from the net difference between projected and actual investment earnings on pension plan investments. Since the System performs an actuarial valuation bi-annually, there are not reported differences between expected and actual experience or a change of assumptions as of December 31, 2014.

The Town's deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016.....	\$	54,062
2017.....		54,062
2018.....		54,062
2019.....		54,063
Total.....	\$	<u>216,249</u>

Actuarial Assumptions

The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2014:

Valuation date.....	January 1, 2014
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method.....	Closed - Approximate level percent of payroll.
Remaining amortization period.....	20 years for the fresh start base
Asset valuation method.....	Market value adjusted by accounts payable and receivables adjusted to phase in over 5 years investment gains or losses above or below the expected rate of investment return. The actuarial value of assets must be no less than 90% of the adjusted market value nor more than 110% of the adjusted market value.
Projected salary increases.....	Select and Ultimate. 7.5% year one, 6.5% year two, 6% year three, 5.5% year four, 5% year five, 3.75% ultimate rate.
Cost of living adjustments.....	3.0% of the first \$13,000 of a member's retirement allowance is assumed to be granted every year.
Rates of retirement.....	Varies based upon age for general employees, police and fire employees.
Rates of disability.....	Disability is assumed to be 45% ordinary and 55% accidental for Group 1 and 2 and 10% ordinary and 90% accidental for Group 4.
Mortality Rates:	
Pre-Retirement.....	The RP-2000 mortality table (sex-distinct) projected with scale BB and Generational Mortality. During employment the healthy employee mortality table is used. Post-employment the healthy annuitant table is used.
Disabled Retiree.....	The RP-2000 mortality table for healthy annuitants (sex-distinct) projected with scale BB and Generational Mortality set-forward by 2 years. Death is assumed to be due to the same cause as the disability 40% of the time.
Investment rate of return/Discount rate.....	8.00% per year

Investment policy

The pension plan's policy in regard to the allocation of invested assets is established by PRIT and the Board. Plan assets are managed on a total return basis with a long-term objective of achieving a fully funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of January 1, 2014 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Core Bonds.....	0.97%	13.00%
Value-Added Bonds.....	3.80%	10.00%
Large Cap Equities.....	4.61%	14.50%
Mid/ Small Cap Equities.....	4.85%	3.50%
International Equities.....	5.10%	16.00%
Emerging Markets Equities.....	6.31%	6.00%
Private Equity.....	6.55%	10.00%
Real Estate.....	3.40%	10.00%
Timber/ Natural Resources.....	3.64%	4.00%
Hedge Funds.....	3.64%	9.00%
Cash/ Portfolio Completion.....	0.00%	4.00%

Rate of return

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.48%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Current Discount (8.00%)	1% Increase (9.00%)
The Town's proportionate share of the net pension liability.....	\$ 61,457,493	\$ 49,719,115	\$ 40,279,815

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The Town of North Andover administers a single-employer defined benefit healthcare plan (the “Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Town’s group health insurance plan, which covers both active and retired members. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy – Contribution requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes a variable portion of the cost of current-year premiums, which varies by plan, for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining portion of their premium costs. For 2015, the Town contributed \$2.9 million to the plan.

Annual OPEB Cost and Net OPEB Obligation – The Town’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The components of the Town’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town’s net OPEB obligation are summarized in the following table:

Annual required contribution.....	\$	7,973,330
Interest on net OPEB obligation.....		1,986,512
Adjustment to annual required contribution.....		<u>(1,881,589)</u>
Annual OPEB Cost (expense).....		8,078,253
Contributions made.....		<u>(2,918,243)</u>
Increase in net OPEB obligation.....		5,160,010
Net OPEB obligation - beginning of year.....		<u>44,144,715</u>
Net OPEB obligation - end of year.....	\$	<u><u>49,304,725</u></u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years was as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 8,078,253	36%	\$ 49,304,725
6/30/2014	8,433,756	32%	44,144,715
6/30/2013	10,748,052	30%	38,415,248

Funded Status and Funding Progress – As of July 1, 2013, the actuarial accrued liability for benefits was \$86.6 million, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$44 million, and the ratio of the UAAL to the covered payroll was 197 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013, actuarial valuation, actuarial liabilities were determined using the projected unit credit cost method. The actuarial assumptions included a 4.5% investment return assumption, which is based on the expected yield on the assets of the Town, calculated based on the funded level of the plan at the valuation date, a 3% inflation rate assumption, and an annual health care trend rate of 9% initially, graded to 5% over 8 years. The UAAL is being amortized with a level percentage of pay over a 30 year period on an open basis. The remaining amortization period at June 30, 2015, is 30 years.

NOTE 13 – COMMITMENTS

The Town has entered into, or is planning to enter into, contracts totaling approximately \$1,000,000 for energy efficiency improvements to Town buildings.

NOTE 14 – CONTINGENCIES

The Town participates in a number of Federal award programs. These programs are subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Various legal actions and claims are pending against the Town. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2015, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2015.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 30, 2015, which is the date the financial statements were available to be issued.

NOTE 16 – REVISION OF NET POSITION PREVIOUSLY REPORTED

Beginning net position of governmental activities, business-type activities and each applicable enterprise fund has been revised to reflect the implementation of GASB Statement #68. The revised balances are summarized in the following table:

	6/30/14 Previously Reported Balances	Implementation of GASB #68	6/30/14 Revised Balances
Government-Wide Financial Statements			
Governmental activities.....	\$ 94,686,014	\$ (48,002,805)	\$ 46,683,209
Business-type activities.....	47,545,317	(1,613,124)	45,932,193
Total.....	<u>\$ 142,231,331</u>	<u>\$ (49,615,929)</u>	<u>\$ 92,615,402</u>
Proprietary Fund Financial Statements			
Water enterprise.....	\$ 24,396,684	\$ (1,149,115)	\$ 23,247,569
Sewer enterprise.....	17,053,851	(464,009)	16,589,842
Osgood Hill enterprise.....	6,094,782	-	6,094,782
Total.....	<u>\$ 47,545,317</u>	<u>\$ (1,613,124)</u>	<u>\$ 45,932,193</u>

NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2015, the following GASB pronouncements were implemented:

- GASB Statement #67, *Financial Reporting for Pension Plans*; GASB Statement #68, *Accounting and Financial Reporting for Pensions*; and GASB Statement #71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Financial statement changes include the recognition of a net pension liability, pension expense and deferred outflows/inflows of resources depending on the nature of the change each year. The financial statements also recognized a restatement of the beginning net position to reflect the net pension liability at the beginning of the year. The notes to the basic financial statements and the required supplementary information were expanded to include additional required schedules and disclosures.
- GASB Statement #69, *Governmental Combinations and Disposals of Government Operations*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #72, *Fair Value Measurement and Application*, which is required to be implemented in 2016.

- The GASB issued Statement #73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The provisions of this Statement are effective for 2016—except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68, which is required to be implemented in 2017.
- The GASB issued Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is required to be implemented in 2017.
- The GASB issued Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is required to be implemented in 2018.
- The GASB issued Statement #76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is required to be implemented in 2016.
- The GASB issued Statement #77, *Tax Abatement Disclosures*, which is required to be implemented in 2017.

Management is currently assessing the impact the implementation of these pronouncements will have on the basic financial statements.

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Required Supplementary Information

General Fund Budgetary Comparison Schedule

The General Fund is the general operating fund of the Town. It is used to account for all the financial resources, except those required to be accounted for in another fund.

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			
	Amounts Carried forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 64,501,682	\$ 64,501,682	\$ 64,501,682
Tax liens.....	-	-	-	-
Payments in lieu of taxes.....	-	1,863,665	1,863,665	1,863,665
Motor vehicle and other excise taxes.....	-	4,170,000	4,170,000	4,170,000
Charges for services.....	-	880,000	880,000	880,000
Penalties and interest on taxes.....	-	312,000	312,000	312,000
Licenses and permits.....	-	250,550	250,550	250,550
Fines and forfeitures.....	-	113,000	113,000	113,000
Intergovernmental.....	-	10,157,642	10,157,642	10,157,642
Departmental and other.....	-	1,126,780	1,126,780	1,126,780
Investment income.....	-	130,000	130,000	130,000
TOTAL REVENUES.....	-	83,505,319	83,505,319	83,505,319
EXPENDITURES:				
Current:				
General government.....	11,008	2,336,446	2,347,454	2,277,385
Public safety.....	48,806	9,982,596	10,031,402	9,731,924
Education.....	36,005	42,685,800	42,721,805	43,117,760
Public works.....	160,897	4,484,636	4,645,533	5,305,330
Health and human services.....	2,402	1,221,135	1,223,537	1,221,344
Culture and recreation.....	1,014	942,646	943,660	943,660
Support services.....	104,130	1,704,357	1,808,487	1,771,853
Pension benefits.....	-	3,759,115	3,759,115	3,759,115
Property and liability insurance.....	-	422,925	422,925	369,385
Employee benefits.....	2,224	11,060,357	11,062,581	10,645,039
State and county charges.....	-	460,309	460,309	460,309
Debt service:				
Principal.....	-	4,733,155	4,733,155	4,583,967
Interest.....	-	1,143,457	1,143,457	1,116,347
TOTAL EXPENDITURES.....	366,486	84,936,934	85,303,420	85,303,418
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(366,486)	(1,431,615)	(1,798,101)	(1,798,099)
OTHER FINANCING SOURCES (USES):				
Premium from issuance of bonds.....	-	-	-	-
Transfers in.....	-	1,576,648	1,576,648	1,576,648
Transfers out.....	-	(1,061,500)	(1,061,500)	(1,061,500)
TOTAL OTHER FINANCING SOURCES (USES)...	-	515,148	515,148	515,148
NET CHANGE IN FUND BALANCE.....	(366,486)	(916,467)	(1,282,953)	(1,282,951)
BUDGETARY FUND BALANCE, Beginning of year.....	-	8,025,928	8,025,928	8,025,928
BUDGETARY FUND BALANCE, End of year.....	\$ (366,486)	\$ 7,109,461	\$ 6,742,975	\$ 6,742,977

See notes to required supplementary information.

Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
\$ 64,307,345	\$ -	\$ (194,337)
311,317	-	311,317
1,833,933	-	(29,732)
4,627,106	-	457,106
942,044	-	62,044
493,863	-	181,863
265,382	-	14,832
92,863	-	(20,137)
10,307,124	-	149,482
1,718,048	-	591,268
110,398	-	(19,602)
85,009,423	-	1,504,104
2,176,843	30,433	70,109
9,582,393	52,287	97,244
43,046,508	64,968	6,284
5,335,369	99,169	(129,208)
1,195,496	-	25,848
895,875	-	47,785
1,713,705	43,664	14,484
3,759,115	-	-
293,178	-	76,207
9,663,907	2,889	978,243
436,946	-	23,363
4,583,967	-	-
980,877	-	135,470
83,664,179	293,410	1,345,829
1,345,244	(293,410)	2,849,933
291,987	-	291,987
1,576,648	-	-
(1,061,500)	-	-
807,135	-	291,987
2,152,379	(293,410)	3,141,920
8,025,928	-	-
\$ 10,178,307	\$ (293,410)	\$ 3,141,920

Pension Plan Schedules

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of Contributions presents multi-year trend information on the Town's required and actual contributions to the pension plan and related ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers Contributory Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the City along with related ratios.

These schedules are intended to present information for ten years. Until a ten year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
ESSEX REGIONAL RETIREMENT SYSTEM**

	December 31, 2014
Town's proportion of the net pension liability (asset).....	14.655%
Town's proportionate share of the net pension liability (asset)..... \$	49,719,115
Town's covered employee payroll (*)..... \$	18,809,056
Net pension liability as a percentage of covered-employee payroll.....	264.34%
Plan fiduciary net position as a percentage of the total pension liability.....	52.27%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for
which information is available.

*Covered employee payroll as reported in the January 1, 2014 funding
valuation report.

See notes to required supplementary information.

SCHEDULE OF TOWN CONTRIBUTIONS
ESSEX REGIONAL RETIREMENT SYSTEM

	<u>2014</u>
Actuarially determined contribution (a)..... \$	3,759,115
Contributions in relation to the actuarially determined contribution.....	<u>3,759,115</u>
Contribution deficiency (excess)..... \$	<u>-</u>
Covered-employee payroll (*)..... \$	18,809,056
Contributions as a percentage of covered- employee payroll.....	19.99%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those
years for which information is available.

(a) Based on the results of the January 1, 2014 actuarial
valuation (including assumptions and methods) which
determined budgeted appropriations for fiscal 2015.

*Covered employee payroll as reported in the January 1, 2014
funding valuation report.

See notes to required supplementary information.

**SCHEDULE OF THE SPECIAL FUNDING AMOUNTS
OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both a revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

<u>Fiscal Year</u>	<u>Commonwealth's 100% Share of the Net Pension Liability Associated with the Town</u>	<u>Town's Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Liability</u>
2015	\$ 65,734,720	\$ 4,566,906	61.64%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

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Other Postemployment Benefit Plan Schedules

The Schedule of Funding progress compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets.

The Schedule of Employer Contributions compares, overtime, the annual required contributions to the actual contributions made.

The Schedule of Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS AND SCHEDULE OF EMPLOYER CONTRIBUTIONS

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
07/01/13	\$ -	\$ 86,605,373	\$ 86,605,373	0.0%	\$ 43,951,748	197.0%
07/01/12	-	100,068,844	100,068,844	0.0%	41,265,503	242.5%
07/01/10	-	118,595,377	118,595,377	0.0%	39,329,676	301.5%
07/01/08	-	125,963,157	125,963,157	0.0%	39,189,469	321.4%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Actual Contributions Made	Percentage Contributed
6/30/15	\$ 7,973,330	\$ 2,918,243	36.6%
6/30/14	8,342,451	2,704,289	32.4%
6/30/13	10,674,564	3,252,186	30.5%
6/30/12	12,141,886	4,184,956	34.5%
6/30/11	12,441,414	3,839,408	30.9%
6/30/10	11,241,110	4,346,876	38.7%
6/30/09	10,964,622	3,978,109	36.3%

The Town implemented GASB Statement No. 45 for the year ended June 30, 2009.
Information for prior years is not available.

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFIT PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods:

Valuation date.....	July 1, 2013
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Level percentage of pay over thirty years based on an open group.
Remaining amortization period.....	30 years, open basis

Actuarial Assumptions:

Investment rate of return.....	4.5%
Inflation rate assumption.....	3.0%
Medical/drug cost trend rate.....	9.0% graded to 5.0% over 8 years

Plan Membership:

Current retirees, beneficiaries, and dependents.....	380
Current active members.....	<u>747</u>
Total.....	<u><u>1,127</u></u>

See notes to required supplementary information.

NOTE A - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**1. Budgetary Information**

Municipal Law requires the Town to adopt a balanced budget that is approved by Town Meeting. The Finance Committee presents an annual budget to Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. Town Meeting, which has full authority to amend and/or reject the budget or any individual line item, adopts the expenditure budget by majority vote. Increases or transfers between departments subsequent to the approval of the annual budget, requires majority Town Meeting approval via a supplemental appropriation.

The majority of the Town's appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

Generally, expenditures may not exceed the legal level of spending authorized for an appropriation account. However, the Town is statutorily required to pay debt service, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by majority vote of the Town Meeting.

The Town adopts an annual budget for the general fund in conformity with the guidelines described above. The original 2015 approved budget for the general fund authorized \$86.4 million in appropriations and other amounts to be raised.

The Town Accountant's office has the responsibility to ensure that budgetary control is maintained on an individual line item appropriation account basis. Budgetary control is exercised through the Town's accounting system.

2. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth of Massachusetts) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2015, is presented below:

Net change in fund balance - budgetary basis.....	\$ 2,152,379
<u>Perspective difference:</u>	
Activity of the stabilization funds recorded in the general fund for GAAP.....	1,876,463
<u>Basis of accounting differences:</u>	
Net change in recording 60 day receipts.....	219,702
Net change in recording tax refunds payable.....	(418,000)
Recognition of revenue for on-behalf payments.....	4,566,906
Recognition of expenditures for on-behalf payments.....	<u>(4,566,906)</u>
Net change in fund balance - GAAP basis.....	<u>\$ 3,830,544</u>

NOTE B – PENSION PLANA. Schedule of the Town's Proportionate Share of the Net Pension Liability

The Schedule of the Town's Proportionate Share of the Net Pension Liability details the Town's allocated percentage of the net pension liability (asset), the Town's proportionate share of the net pension liability, and the Town's covered employee payroll. It also demonstrates the Town's net position as a percentage of the Town's pension liability and the Town's net pension liability as a percentage of the Town's covered payroll.

B. Schedule of Town's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The Town's appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The Town's appropriations are payable on July 1 and January 1. The Town may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual Town contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the Town based on covered payroll.

C. Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

D. Changes of Assumptions - NoneE. Changes of Plan Provisions - None**NOTE C – OTHER POSTEMPLOYMENT BENEFITS PLAN**

The Town administers a single-employer defined benefit healthcare plan ("The Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members. Additionally, retired teachers and their spouses receive health insurance through the Group Insurance Commission of the Commonwealth of Massachusetts (GIC). Each participating municipality is assessed for the governmental share of health and life insurance premiums paid on behalf of its teacher retirees by the state.

The Town currently finances its other postemployment benefits (OPEB) on a pay-as-you-go basis. As a result, the funded ratio (actuarial value of assets expressed as a percentage of the actuarial accrued liability) is 0%. In accordance with Governmental Accounting Standards, the Town has recorded its OPEB cost equal to the actuarially determined annual required contribution (ARC) which includes the normal cost of providing benefits for the year and a component for the amortization of the total unfunded actuarial accrued liability of the plan. The Schedule of Funding Progress presents multi-year trend information which compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets. The Schedule of Employer Contributions compares, overtime, the annual required contributions to the actual contributions made.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The Schedule of Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

Combining and Individual Fund Statements

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Municipal Federal and State Grants – This fund is used to account for grant funds received from state and federal governments which are designated for specific non-school related programs.

Education Federal and State Grants – This fund is used to account for grant funds received from state and federal governments which are designated for specific education related programs.

Receipts Reserved for Appropriation – This fund is used to account for receipts from a specific revenue source that by law is accounted for separately from the general fund and must be spent by appropriation.

Municipal Revolving Funds – This fund is used to account for various municipal department's revolving funds established in accordance with MGL Chapter 44, Section 53E ½ and other applicable statutes.

Education Revolving Funds – This fund is used to account for the school department's revolving funds established in accordance with MGL Chapter 44, Section 53E ½ and Chapter 71.

School Lunch Funds – This fund is used to account for all cafeteria activities and is funded by user charges, federal and state grants, and commodities received.

Other Special Revenue Funds – This fund is used to account for the activity of donated funds, gifts, and public safety details.

Affordable Housing Trust Fund – This fund is used to account for activities relating to the preservation and creation of affordable housing in the Town.

Other Trust Funds – This fund is used to account for activities of conservation and public safety trust funds.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Education Capital Projects – This fund is used to account for the acquisition of school related capital assets that are funded through both appropriations and borrowings.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs.

Permanent Funds Principal – This fund is used to account for all non-library related gifts, bequests and contributions for which only earnings may be expended to benefit the Town.

Library Permanent Funds – This fund is used to account for gifts, bequests and contributions held for which only earnings may be expended for purposes specified by the donor in relation to library activities.

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2015

	<i>Special Revenue Funds</i>			
	Municipal Federal and State Grants	Education Federal and State Grants	Receipts Reserved for Appropriation	Municipal Revolving Funds
ASSETS				
Cash and cash equivalents.....	\$ 106,284	\$ 62,791	\$ 146,481	\$ 594,750
Investments.....	-	-	-	-
Receivables, net of uncollectibles:				
Departmental and other.....	-	-	-	33,267
Intergovernmental.....	-	67,794	-	-
TOTAL ASSETS.....	\$ 106,284	\$ 130,585	\$ 146,481	\$ 628,017
LIABILITIES				
Warrants payable.....	\$ 424	\$ 7,356	\$ -	\$ 32,272
Accrued payroll.....	-	123,229	-	-
TOTAL LIABILITIES.....	424	130,585	-	32,272
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues.....	-	-	-	33,267
FUND BALANCES				
Nonspendable.....	-	-	-	-
Restricted.....	105,860	-	146,481	562,478
TOTAL FUND BALANCES.....	105,860	-	146,481	562,478
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 106,284	\$ 130,585	\$ 146,481	\$ 628,017

Special Revenue Funds					
Education Revolving Funds	School Lunch Funds	Other Special Revenue Funds	Affordable Housing Trust Fund	Other Trust Funds	Subtotal
\$ 317,470	\$ 46,718	\$ 1,091,608	\$ 1,031,649	\$ 243,721	\$ 3,641,472
-	-	-	-	-	-
-	-	-	-	-	33,267
-	-	-	-	-	67,794
<u>\$ 317,470</u>	<u>\$ 46,718</u>	<u>\$ 1,091,608</u>	<u>\$ 1,031,649</u>	<u>\$ 243,721</u>	<u>\$ 3,742,533</u>
\$ 10,652	\$ -	\$ 1,195	\$ -	\$ -	\$ 51,899
8,236	11,604	-	-	-	143,069
18,888	11,604	1,195	-	-	194,968
-	-	-	-	-	33,267
-	-	-	-	-	-
298,582	35,114	1,090,413	1,031,649	243,721	3,514,298
298,582	35,114	1,090,413	1,031,649	243,721	3,514,298
<u>\$ 317,470</u>	<u>\$ 46,718</u>	<u>\$ 1,091,608</u>	<u>\$ 1,031,649</u>	<u>\$ 243,721</u>	<u>\$ 3,742,533</u>

(Continued)

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2015

	Capital Project Funds		Permanent Funds		
	Education Capital Projects	Permanent Funds Principal	Library Permanent Funds	Subtotal	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents.....	\$ 38,248	\$ 29,257	\$ 15,202	\$ 44,459	\$ 3,724,179
Investments.....	-	-	714,597	714,597	714,597
Receivables, net of uncollectibles:					
Departmental and other.....	-	-	-	-	33,267
Intergovernmental.....	-	-	-	-	67,794
TOTAL ASSETS.....	\$ 38,248	\$ 29,257	\$ 729,799	\$ 759,056	\$ 4,539,837
LIABILITIES					
Warrants payable.....	\$ -	\$ -	\$ -	\$ -	\$ 51,899
Accrued payroll.....	-	-	-	-	143,069
TOTAL LIABILITIES.....	-	-	-	-	194,968
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues.....	-	-	-	-	33,267
FUND BALANCES					
Nonspendable.....	-	29,257	-	29,257	29,257
Restricted.....	38,248	-	729,799	729,799	4,282,345
TOTAL FUND BALANCES.....	38,248	29,257	729,799	759,056	4,311,602
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 38,248	\$ 29,257	\$ 729,799	\$ 759,056	\$ 4,539,837

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NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2015

	<i>Special Revenue Funds</i>			
	Municipal Federal and State Grants	Education Federal and State Grants	Receipts Reserved for Appropriation	Municipal Revolving Funds
REVENUES:				
Payments in lieu of taxes.....	\$ -	\$ -	\$ -	\$ -
Charges for services.....	-	-	-	569,666
Licenses and permits.....	-	-	55,518	75,893
Intergovernmental.....	182,734	3,226,656	-	-
Departmental and other.....	-	-	-	47,772
Contributions.....	540	-	-	377,285
Investment income.....	93	-	-	-
TOTAL REVENUES.....	183,367	3,226,656	55,518	1,070,616
EXPENDITURES:				
Current:				
General government.....	3,496	-	41,776	16,944
Public safety.....	112,536	-	-	596,454
Education.....	-	3,234,409	-	-
Public works.....	-	-	-	1,154
Human services.....	42,760	-	-	408,319
Culture and recreation.....	28,699	-	-	-
TOTAL EXPENDITURES.....	187,491	3,234,409	41,776	1,022,871
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(4,124)	(7,753)	13,742	47,745
OTHER FINANCING SOURCES (USES):				
Issuance of bonds and notes.....	-	-	-	-
Sale of capital assets.....	-	-	-	-
Transfers in.....	-	-	-	-
Transfers out.....	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	-	-	-
NET CHANGE IN FUND BALANCES.....	(4,124)	(7,753)	13,742	47,745
FUND BALANCES AT BEGINNING OF YEAR.....	109,984	7,753	132,739	514,733
FUND BALANCES AT END OF YEAR.....	\$ 105,860	\$ -	\$ 146,481	\$ 562,478

Special Revenue Funds

Education Revolving Funds	School Lunch Funds	Other Special Revenue Funds	Affordable Housing Trust Fund	Other Trust Funds	Sub-total
\$ -	\$ -	\$ 141,902	\$ -	\$ -	\$ 141,902
1,807,560	1,142,973	2,440	-	-	3,522,639
347,479	-	-	-	-	478,890
-	-	58,937	-	173,968	3,642,295
7,960	-	15,791	60,700	-	132,223
104,207	-	122,977	-	-	605,009
-	-	-	5,972	314	6,379
<u>2,267,206</u>	<u>1,142,973</u>	<u>342,047</u>	<u>66,672</u>	<u>174,282</u>	<u>8,529,337</u>
-	-	134,092	9,294	-	205,602
-	-	1,779	-	5,926	716,695
2,113,110	1,139,641	46,338	-	-	6,533,498
-	-	17,046	-	-	18,200
-	-	46,489	-	-	497,568
-	-	19,498	-	-	48,197
<u>2,113,110</u>	<u>1,139,641</u>	<u>265,242</u>	<u>9,294</u>	<u>5,926</u>	<u>8,019,760</u>
<u>154,096</u>	<u>3,332</u>	<u>76,805</u>	<u>57,378</u>	<u>168,356</u>	<u>509,577</u>
-	-	-	-	-	-
-	-	300,041	-	-	300,041
-	-	-	-	-	-
<u>(61,350)</u>	<u>-</u>	<u>(143,103)</u>	<u>-</u>	<u>-</u>	<u>(204,453)</u>
<u>(61,350)</u>	<u>-</u>	<u>156,938</u>	<u>-</u>	<u>-</u>	<u>95,588</u>
92,746	3,332	233,743	57,378	168,356	605,165
<u>205,836</u>	<u>31,782</u>	<u>856,670</u>	<u>974,271</u>	<u>75,365</u>	<u>2,909,133</u>
<u>\$ 298,582</u>	<u>\$ 35,114</u>	<u>\$ 1,090,413</u>	<u>\$ 1,031,649</u>	<u>\$ 243,721</u>	<u>\$ 3,514,298</u>

(Continued)

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2015

	Capital Project Funds	Permanent Funds			Total Nonmajor Governmental Funds
	Education Capital Projects	Permanent Funds Principal	Library Permanent Funds	Sub-total	
REVENUES:					
Payments in lieu of taxes.....	\$ -	\$ -	\$ -	\$ -	\$ 141,902
Charges for services.....	-	-	-	-	3,522,639
Licenses and permits.....	-	-	-	-	478,890
Intergovernmental.....	-	-	-	-	3,642,295
Departmental and other.....	-	-	-	-	132,223
Contributions.....	-	-	19,716	19,716	624,725
Investment income.....	-	42	13,262	13,304	19,683
TOTAL REVENUES.....	-	42	32,978	33,020	8,562,357
EXPENDITURES:					
Current:					
General government.....	-	-	-	-	205,602
Public safety.....	-	-	-	-	716,695
Education.....	583,622	-	-	-	7,117,120
Public works.....	-	-	-	-	18,200
Human services.....	-	-	-	-	497,568
Culture and recreation.....	-	-	38,563	38,563	86,760
TOTAL EXPENDITURES.....	583,622	-	38,563	38,563	8,641,945
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(583,622)	42	(5,585)	(5,543)	(79,588)
OTHER FINANCING SOURCES (USES):					
Issuance of bonds and notes.....	397,743	-	-	-	397,743
Sale of capital assets.....	-	-	-	-	300,041
Transfers in.....	73,500	-	-	-	73,500
Transfers out.....	-	-	-	-	(204,453)
TOTAL OTHER FINANCING SOURCES (USES).....	471,243	-	-	-	566,831
NET CHANGE IN FUND BALANCES.....	(112,379)	42	(5,585)	(5,543)	487,243
FUND BALANCES AT BEGINNING OF YEAR.....	150,627	29,215	735,384	764,599	3,824,359
FUND BALANCES AT END OF YEAR.....	\$ 38,248	\$ 29,257	\$ 729,799	\$ 759,056	\$ 4,311,602

(Concluded)

Agency Fund

This fund is used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and other governmental units. The majority of the assets in the agency fund relate to conservation, highway and planning board bid deposits as well as student activity deposits.

AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2015

	Beginning of Year	Additions	Deletions	End of Year
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 4,158,338	\$ 4,600,537	\$ (4,985,734)	\$ 3,773,141
LIABILITIES				
Warrants payable.....	\$ -	\$ 822	\$ -	\$ 822
Guaranteed deposits.....	3,502,582	1,116,503	(1,333,196)	3,285,889
Other deposits.....	383,838	1,237,705	(1,384,931)	236,612
Student Activities.....	271,918	2,245,507	(2,267,607)	249,818
TOTAL LIABILITIES.....	\$ 4,158,338	\$ 4,600,537	\$ (4,985,734)	\$ 3,773,141

Statistics Section



Half Mile Hill over looking Lake Cochichewick

Statistical Section

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Financial Trends

- These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity

- These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity

- These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information

- These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information

- These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Town implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Net Positions By Component

Last Ten Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities										
Net investment in capital assets.....	\$ 88,197,300	\$ 96,211,743	\$ 98,468,392	\$ 98,988,296	\$ 100,868,439	\$ 102,754,256	\$ 105,155,466	\$ 106,453,985	\$ 106,117,880	\$ 108,245,924
Restricted.....	3,923,673	5,327,670	8,491,986	8,753,852	6,539,198	7,574,263	8,225,177	8,207,148	9,444,583	8,473,982
Unrestricted.....	<u>12,820,381</u>	<u>9,472,994</u>	<u>8,427,511</u>	<u>3,498,800</u>	<u>(2,610,402)</u>	<u>(11,696,666)</u>	<u>(17,137,468)</u>	<u>(20,131,341)</u>	<u>(20,876,449)</u>	<u>(71,682,791)</u>
Total governmental activities net position.....	<u>\$ 104,941,354</u>	<u>\$ 111,012,407</u>	<u>\$ 115,387,889</u>	<u>\$ 111,240,948</u>	<u>\$ 104,797,235</u>	<u>\$ 98,631,853</u>	<u>\$ 96,243,175</u>	<u>\$ 94,529,792</u>	<u>\$ 94,686,014</u>	<u>\$ 45,037,115</u>
Business-type activities										
Net investment in capital assets.....	22,554,318	28,849,317	29,977,126	32,209,814	32,898,415	36,443,088	37,264,739	40,243,610	42,012,200	43,397,442
Unrestricted.....	<u>7,087,365</u>	<u>2,407,297</u>	<u>3,278,409</u>	<u>1,616,637</u>	<u>3,608,473</u>	<u>2,479,721</u>	<u>4,418,053</u>	<u>4,273,747</u>	<u>5,533,117</u>	<u>5,017,844</u>
Total business-type activities net position.....	<u>\$ 29,641,683</u>	<u>\$ 31,256,614</u>	<u>\$ 33,255,535</u>	<u>\$ 33,826,451</u>	<u>\$ 36,506,888</u>	<u>\$ 38,922,809</u>	<u>\$ 41,682,792</u>	<u>\$ 44,517,357</u>	<u>\$ 47,545,317</u>	<u>\$ 48,415,286</u>
Primary government										
Net investment in capital assets.....	110,751,618	125,061,060	128,445,518	131,198,110	133,766,854	139,197,344	142,420,205	146,697,595	148,130,080	151,643,366
Restricted.....	3,923,673	5,327,670	8,491,986	8,753,852	6,539,198	7,574,263	8,225,177	8,207,148	9,444,583	8,473,982
Unrestricted.....	<u>19,907,746</u>	<u>11,880,291</u>	<u>11,705,920</u>	<u>5,115,437</u>	<u>998,071</u>	<u>(9,216,945)</u>	<u>(12,719,415)</u>	<u>(15,857,594)</u>	<u>(15,343,332)</u>	<u>(66,664,947)</u>
Total primary government net position.....	<u>\$ 134,583,037</u>	<u>\$ 142,269,021</u>	<u>\$ 148,643,424</u>	<u>\$ 145,067,399</u>	<u>\$ 141,304,123</u>	<u>\$ 137,554,662</u>	<u>\$ 137,925,967</u>	<u>\$ 139,047,149</u>	<u>\$ 142,231,331</u>	<u>\$ 93,452,401</u>

Changes in Net Positions

Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government.....	\$ 2,779,374	\$ 3,299,710	\$ 3,531,917	\$ 4,123,262	\$ 4,021,067	\$ 4,559,013	\$ 3,794,618	\$ 3,665,170	\$ 3,685,321	\$ 3,682,360
Public safety.....	12,011,224	12,241,105	12,929,068	14,509,962	14,654,536	15,134,400	14,825,939	15,017,342	15,242,286	15,498,592
Education.....	50,523,956	52,015,222	57,679,448	64,495,293	66,409,142	70,860,920	69,540,668	70,340,318	70,591,546	69,182,129
Public works.....	4,466,922	5,496,347	6,097,048	7,382,073	6,227,974	6,485,227	5,715,405	6,963,935	6,719,915	7,659,238
Health and human services.....	1,617,246	1,697,653	1,766,854	2,041,742	2,054,742	2,080,778	2,146,195	2,162,118	2,228,573	2,420,603
Culture and recreation.....	2,494,159	1,931,878	1,953,619	2,052,225	2,109,924	2,192,035	2,015,651	1,679,351	1,453,223	2,530,792
Support services.....	-	-	-	-	-	-	1,266,046	1,281,204	1,444,333	1,914,306
Interest.....	3,636,270	2,720,892	2,178,255	1,202,891	1,506,325	1,370,287	1,354,251	1,192,955	1,025,900	1,004,030
Total government activities expenses.....	77,529,151	79,402,807	86,136,209	95,807,448	96,983,710	102,682,660	100,658,773	102,302,393	102,391,097	103,892,050
Business-type activities:										
Water.....	2,946,719	2,929,823	3,222,251	3,591,641	2,972,303	3,188,559	3,180,102	3,033,371	3,200,373	3,463,307
Sewer.....	3,076,592	3,418,575	3,423,734	3,878,647	3,644,464	3,877,585	3,572,401	3,517,562	2,338,708	3,481,106
Osgood Hill.....	502,926	515,640	474,413	381,463	259,595	325,092	295,606	332,189	344,001	386,961
Total business-type activities expenses.....	6,526,237	6,864,038	7,120,398	7,851,751	6,876,362	7,391,236	7,048,109	6,883,122	6,783,082	7,331,374
Total primary government expenses.....	\$ 84,055,388	\$ 86,266,845	\$ 93,256,607	\$ 103,659,199	\$ 103,860,072	\$ 110,073,896	\$ 107,706,882	\$ 109,185,515	\$ 109,174,179	\$ 111,223,424
Program Revenues										
Governmental activities:										
Public safety charges for services.....	\$ 3,527,254	\$ 2,609,422	\$ 3,028,126	\$ 2,682,759	\$ 2,266,216	\$ 2,536,254	\$ 2,851,539	\$ 2,798,269	\$ 2,495,472	\$ 2,943,349
Education charges for services.....	2,366,543	2,137,410	3,328,079	3,204,499	3,229,655	3,165,842	3,443,280	3,409,555	3,648,664	3,304,534
Other charges for services.....	1,689,807	1,699,407	982,438	670,781	716,819	862,199	875,080	767,042	866,165	823,967
Education operating grants and contributions.....	10,938,343	12,305,566	13,281,265	14,454,951	15,206,781	17,480,918	16,720,192	17,289,331	17,983,068	15,410,239
Other operating grants and contributions.....	1,878,664	1,854,031	3,213,290	2,048,360	1,241,709	1,372,095	1,489,093	1,302,947	1,010,960	1,220,657
Education capital grants and contributions.....	-	2,985,922	-	-	-	-	960,154	696,209	30,932	-
Public works capital grants and contributions.....	86,308	287,274	975,861	2,235,219	455,022	1,026,557	-	1,449,134	949,933	497,030
Other capital grants and contributions.....	-	-	-	7,792	-	829,740	579,896	411,518	826,907	583,619
Total government activities program revenues.....	20,486,919	23,879,032	24,809,059	25,304,361	23,116,202	27,273,605	26,919,234	28,124,005	27,812,101	24,783,395
Business-type activities:										
Water charges for services.....	5,267,016	5,174,840	5,670,444	4,541,749	5,327,867	5,750,569	5,436,873	5,387,685	5,237,290	5,550,719
Sewer charges for services.....	3,536,767	3,425,722	3,873,561	4,294,388	4,682,139	4,797,301	5,015,808	4,964,813	4,945,962	5,014,766
Osgood Hill charges for services.....	507,693	471,173	257,694	193,103	285,188	239,200	280,068	335,770	337,551	482,778
Other operating grants and contributions.....	414,429	227,214	252,266	201,398	177,861	141,724	234,388	127,545	122,529	112,149
Total business-type activities program revenues.....	9,725,905	9,298,949	10,053,965	9,230,638	10,473,055	10,928,794	10,967,137	10,815,813	10,643,332	11,160,412
Total primary government program revenues.....	\$ 30,212,824	\$ 33,177,981	\$ 34,863,024	\$ 34,534,999	\$ 33,589,257	\$ 38,202,399	\$ 37,886,371	\$ 38,939,818	\$ 38,455,433	\$ 35,943,807
Net (Expense)/Program Revenue										
Governmental activities.....	\$ (57,042,232)	\$ (55,523,775)	\$ (61,327,150)	\$ (70,503,087)	\$ (73,867,508)	\$ (75,409,055)	\$ (73,739,539)	\$ (74,178,388)	\$ (74,578,996)	\$ (79,108,655)
Business-type activities.....	3,199,668	2,434,911	2,933,567	1,378,887	3,596,693	3,537,558	3,919,028	3,932,691	3,860,250	3,829,038
Total primary government net (expense)/program revenue.....	\$ (53,842,564)	\$ (53,088,864)	\$ (58,393,583)	\$ (69,124,200)	\$ (70,270,815)	\$ (71,871,497)	\$ (69,820,511)	\$ (70,245,697)	\$ (70,718,746)	\$ (75,279,617)

(Continued)

Changes in Net Positions

Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and other Changes in Net Positions										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 47,687,495	\$ 49,146,112	\$ 52,131,731	\$ 54,443,171	\$ 55,855,205	\$ 57,726,043	\$ 60,060,304	\$ 60,284,114	\$ 62,195,623	63,877,139
Tax liens.....	365,140	290,057	293,055	85,265	908,371	576,219	355,176	401,204	570,085	698,405
Motor vehicle and other excise taxes.....	4,076,385	3,432,710	4,148,303	4,033,853	3,165,811	3,748,360	3,923,189	4,462,710	4,673,160	4,957,476
Penalties and interest on taxes.....	410,394	305,539	292,512	307,534	277,662	223,861	258,471	316,019	501,903	390,837
Payment in lieu of taxes.....	1,441,209	1,623,750	1,704,677	1,815,176	1,838,821	1,867,094	1,903,510	1,974,424	2,008,020	1,975,835
Community preservation surcharge.....	1,196,950	1,249,235	1,240,697	511,703	1,263,566	1,312,401	1,363,553	1,390,831	1,433,013	1,466,141
Grants and contributions not restricted to specific programs.....	3,297,899	3,589,640	4,071,414	3,847,997	2,748,904	2,222,543	2,133,066	2,338,662	2,279,506	2,368,601
Unrestricted investment income.....	880,381	1,136,035	888,152	504,476	449,199	445,515	194,547	198,915	241,618	206,490
Gain on sale of capital assets.....	-	1,770	-	-	-	-	-	-	-	175,692
Transfers.....	522,018	819,980	931,091	807,971	916,256	1,121,637	1,159,045	1,098,126	832,290	1,345,945
Total governmental activities.....	59,877,871	61,594,828	65,701,632	66,357,146	67,423,795	69,243,673	71,350,861	72,465,005	74,735,218	77,462,561
Business-type activities:										
Transfers.....	(522,018)	(819,980)	(931,091)	(807,971)	(916,256)	(1,121,637)	(1,159,045)	(1,098,126)	(832,290)	(1,345,945)
Total primary government general revenues and other changes in net positions.....	<u>\$ 59,355,853</u>	<u>\$ 60,774,848</u>	<u>\$ 64,770,541</u>	<u>\$ 65,549,175</u>	<u>\$ 66,507,539</u>	<u>\$ 68,122,036</u>	<u>\$ 70,191,816</u>	<u>\$ 71,366,879</u>	<u>\$ 73,902,928</u>	<u>76,116,616</u>
Changes in Net Position										
Governmental activities.....	\$ 2,835,639	\$ 6,071,053	\$ 4,374,482	\$ (4,145,941)	\$ (6,443,713)	\$ (6,165,382)	\$ (2,388,678)	\$ (1,713,383)	\$ 156,222	(1,646,094)
Business-type activities.....	2,677,650	1,614,931	2,002,476	570,916	2,680,437	2,415,921	2,759,983	2,834,565	3,027,960	2,483,093
Total primary government changes in net positions.....	<u>\$ 5,513,289</u>	<u>\$ 7,685,984</u>	<u>\$ 6,376,958</u>	<u>\$ (3,575,025)</u>	<u>\$ (3,763,276)</u>	<u>\$ (3,749,461)</u>	<u>\$ 371,305</u>	<u>\$ 1,121,182</u>	<u>\$ 3,184,182</u>	<u>836,999</u>

* In 2012, the Town consolidated support services into a separate functional line-item. Prior to 2012, support services were blended within the general government functional line-item.

(Concluded)

Fund Balances, Governmental Funds

Last Ten Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Reserved.....	\$ 1,015,945	\$ 1,670,515	\$ 1,927,584	\$ 1,422,665	\$ 1,369,510	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved.....	4,590,078	2,799,586	1,684,514	168,993	658,689	-	-	-	-	-
Restricted.....	-	-	-	-	-	1,033,892	964,966	896,040	762,324	693,398
Assigned.....	-	-	-	-	-	184,314	411,861	173,989	366,486	293,410
Unassigned.....	-	-	-	-	-	3,455,866	5,412,549	6,618,601	8,981,055	12,953,601
Total general fund.....	<u>\$ 5,606,023</u>	<u>\$ 4,470,101</u>	<u>\$ 3,612,098</u>	<u>\$ 1,591,658</u>	<u>\$ 2,028,199</u>	<u>\$ 4,674,072</u>	<u>\$ 6,789,376</u>	<u>\$ 7,688,630</u>	<u>\$ 10,109,865</u>	<u>\$ 13,940,409</u>
All Other Governmental Funds										
Reserved.....	\$ 426,777	\$ 584,112	\$ 1,619,701	\$ 29,028	\$ 29,111	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	4,201,047	5,607,342	6,917,728	9,953,042	9,055,517	-	-	-	-	-
Capital projects funds.....	(5,833,628)	3,369,779	1,532,240	2,107,039	3,163,123	-	-	-	-	-
Permanent funds.....	426,611	533,644	531,528	447,756	459,616	-	-	-	-	-
Nonspendable.....	-	-	-	-	-	29,134	29,184	29,200	29,215	29,257
Restricted.....	-	-	-	-	-	10,315,497	11,714,886	9,705,816	14,021,545	15,182,802
Unassigned.....	-	-	-	-	-	-	-	(193,926)	-	-
Total all other governmental funds.....	<u>\$ (779,193)</u>	<u>\$ 10,094,877</u>	<u>\$ 10,601,197</u>	<u>\$ 12,536,865</u>	<u>\$ 12,707,367</u>	<u>\$ 10,344,631</u>	<u>\$ 11,744,070</u>	<u>\$ 9,541,090</u>	<u>\$ 14,050,760</u>	<u>\$ 15,212,059</u>

The Town implemented GASB 54 in year 2011, fund balances prior to year 2011 have been reported in the pre-GASB 54 format.

Changes in Fund Balances, Governmental Funds

Last Ten Years

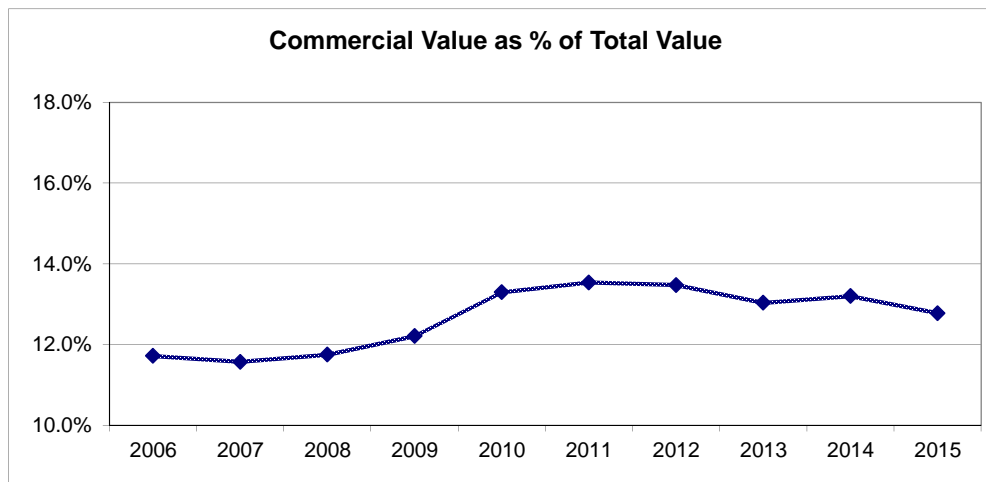
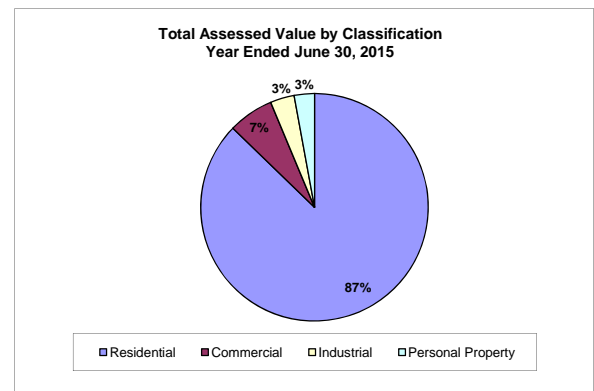
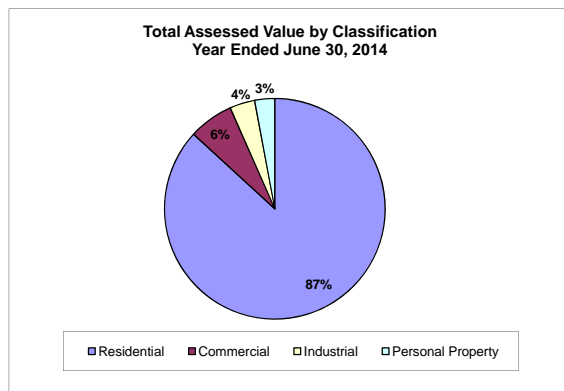
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 47,835,561	\$ 48,777,621	\$ 51,648,818	\$ 54,496,257	\$ 56,703,210	\$ 57,423,755	\$ 59,803,225	\$ 60,311,614	\$ 61,992,217	\$ 64,109,047
Motor vehicle and other excise taxes.....	4,010,270	3,477,581	4,068,018	3,727,728	3,515,205	3,790,515	3,917,020	4,260,419	4,866,192	4,627,106
Intergovernmental.....	43,747,281	30,272,942	30,502,211	20,016,089	19,834,322	21,826,135	22,241,592	22,474,244	22,294,860	20,433,361
Departmental and other.....	11,055,480	10,020,527	11,396,570	11,108,856	10,602,746	11,104,508	11,466,482	11,500,455	12,439,870	12,027,264
Interest income.....	1,004,421	1,343,385	1,062,356	521,278	516,898	445,515	194,547	198,915	241,618	206,490
Total Revenue.....	107,653,013	93,892,056	98,677,973	89,870,208	91,172,381	94,590,428	97,622,866	98,745,647	101,834,757	101,403,268
Expenditures:										
General government.....	2,437,000	4,255,964	3,262,011	2,949,377	2,710,315	3,102,753	2,864,390	2,317,174	5,850,866	8,855,710
Public safety.....	9,131,365	9,209,888	10,619,206	12,133,006	11,844,721	13,085,968	9,430,923	10,115,031	10,317,017	10,303,669
Education.....	37,593,675	37,410,950	42,270,522	45,280,664	44,325,754	46,382,790	45,775,410	48,191,658	46,902,298	50,163,628
Public works.....	3,107,989	4,577,335	6,541,888	6,238,578	5,669,065	5,405,654	5,409,310	6,024,483	6,189,779	7,378,944
Health and human services.....	1,096,011	1,098,927	1,182,780	1,664,490	1,363,830	1,347,082	1,428,586	1,462,526	1,568,456	1,693,064
Culture and recreation.....	2,006,980	1,468,542	1,544,228	1,642,496	3,903,682	2,325,296	2,212,683	2,995,960	2,139,225	3,267,785
Support services.....	-	-	-	-	-	-	1,039,174	1,101,281	1,342,321	1,793,051
Pension benefits.....	6,544,692	7,212,850	7,978,462	8,632,667	8,959,530	9,537,508	9,969,374	10,452,145	10,837,358	8,326,021
Property and liability insurance.....	340,145	415,406	322,592	321,675	294,085	276,258	271,059	290,896	301,405	293,178
Employee benefits.....	6,842,992	7,957,488	8,890,836	9,389,284	7,636,441	9,415,481	11,100,080	11,250,204	11,599,341	9,663,907
State and county charges.....	1,508,576	2,170,566	2,200,498	2,267,181	2,307,758	2,115,484	1,813,511	1,788,615	1,254,988	436,946
Debt service:										
Principal.....	5,784,931	6,588,374	6,094,566	6,362,702	5,348,471	5,574,681	5,995,123	5,219,330	5,366,746	4,583,967
Principal - current refunding.....	-	-	-	-	-	-	-	-	4,168,651	-
Interest.....	3,526,616	2,742,094	2,180,794	1,275,869	1,299,581	1,352,790	1,254,252	1,114,259	957,719	980,877
Total Expenditures.....	79,920,972	85,108,384	93,088,383	98,157,989	95,663,233	99,921,745	98,563,875	102,323,562	108,796,170	107,740,747
Excess of revenues over (under) expenditures.....	27,732,041	8,783,672	5,589,590	(8,287,781)	(4,490,852)	(5,331,317)	(941,009)	(3,577,915)	(6,961,413)	(6,337,479)
Other Financing Sources (Uses)										
Issuance of bonds.....	495,000	129,000	1,486,026	7,122,134	4,171,222	4,365,353	3,255,348	926,199	8,181,497	8,365,000
Issuance of refunding bonds.....	-	-	12,500,000	-	-	-	-	-	4,010,000	68,526
Premium from issuance of bonds.....	75,921	3,726	12,615	202,338	10,417	127,464	41,359	24,215	143,149	291,987
Premium from issuance of refunding bonds.....	-	-	182,792	-	-	-	-	-	218,946	-
Payments to refunded bond escrow agent.....	-	-	(21,053,797)	-	-	-	-	-	-	(68,427)
Sale of capital assets.....	-	1,770	-	-	-	-	-	-	-	300,041
Transfers in.....	1,687,539	1,393,334	2,555,701	1,100,814	3,121,748	1,322,517	1,819,046	1,556,007	1,598,653	2,800,148
Transfers out.....	(1,165,521)	(573,354)	(1,624,610)	(222,277)	(2,205,492)	(200,880)	(660,001)	(232,232)	(259,927)	(427,953)
Total other financing sources (uses).....	1,092,939	954,476	(5,941,273)	8,203,009	5,097,895	5,614,454	4,455,752	2,274,189	13,892,318	11,329,322
Net change in fund balance.....	\$ 28,824,980	\$ 9,738,148	\$ (351,683)	\$ (84,772)	607,043	\$ 283,137	\$ 3,514,743	\$ (1,303,726)	\$ 6,930,905	\$ 4,991,843
Debt service as a percentage of noncapital expenditures.....	13.80%	11.23%	9.23%	8.17%	7.49%	7.45%	7.71%	6.59%	6.44%	5.74%

* In 2012, the Town consolidated support services into a separate functional line-item. Prior to 2012, support services were blended within the general government functional line-item.

Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates

Last Ten Years

Year	Assessed and Actual Values and Tax Rates								
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Total Direct Rate	Total Town Value
2006	\$ 3,743,701,112	\$ 11.14	\$ 240,357,988	\$ 175,698,300	\$ 81,016,630	\$ 497,072,918	\$ 13.47	\$ 11.41	\$ 4,240,774,030
2007 (1)	\$ 4,113,245,116	\$ 10.45	\$ 286,085,303	\$ 174,371,400	\$ 77,931,290	\$ 538,387,993	\$ 12.63	\$ 10.70	\$ 4,651,633,109
2008	\$ 4,001,584,703	\$ 11.40	\$ 283,789,944	\$ 167,088,600	\$ 82,002,220	\$ 532,880,764	\$ 13.78	\$ 11.68	\$ 4,534,465,467
2009	\$ 3,910,976,509	\$ 11.76	\$ 280,591,491	\$ 163,741,100	\$ 99,814,430	\$ 544,147,021	\$ 16.69	\$ 12.36	\$ 4,455,123,530
2010 (1)	\$ 3,670,178,348	\$ 12.74	\$ 286,494,949	\$ 168,247,500	\$ 108,138,260	\$ 562,880,709	\$ 17.69	\$ 13.40	\$ 4,233,059,057
2011	\$ 3,563,558,199	\$ 13.52	\$ 283,140,851	\$ 162,024,800	\$ 112,827,760	\$ 557,993,411	\$ 18.63	\$ 14.21	\$ 4,121,551,610
2012	\$ 3,586,332,274	\$ 13.92	\$ 278,839,111	\$ 158,456,800	\$ 121,400,010	\$ 558,695,921	\$ 19.16	\$ 14.63	\$ 4,145,028,195
2013 (1)	\$ 3,713,065,744	\$ 13.72	\$ 278,124,243	\$ 161,446,600	\$ 116,997,715	\$ 556,568,558	\$ 18.85	\$ 14.39	\$ 4,269,634,302
2014	\$ 3,652,658,906	\$ 14.41	\$ 276,804,384	\$ 155,524,200	\$ 123,301,890	\$ 555,630,474	\$ 19.45	\$ 15.08	\$ 4,208,289,380
2015	\$ 3,745,570,341	\$ 14.39	\$ 277,858,269	\$ 147,834,600	\$ 123,012,880	\$ 548,705,749	\$ 20.29	\$ 15.14	\$ 4,294,276,090



(1) Revaluation year.
Source: Assessor's Department, Town of North Andover
All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

Note: Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2 percent of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls and for certain substantial valuation increases other than as part of a general revaluation. The secondary limit may be exceeded in any year by a majority vote of the voters, however it cannot exceed the primary limitation.

Principal Taxpayers
Current Year and Nine Years Ago

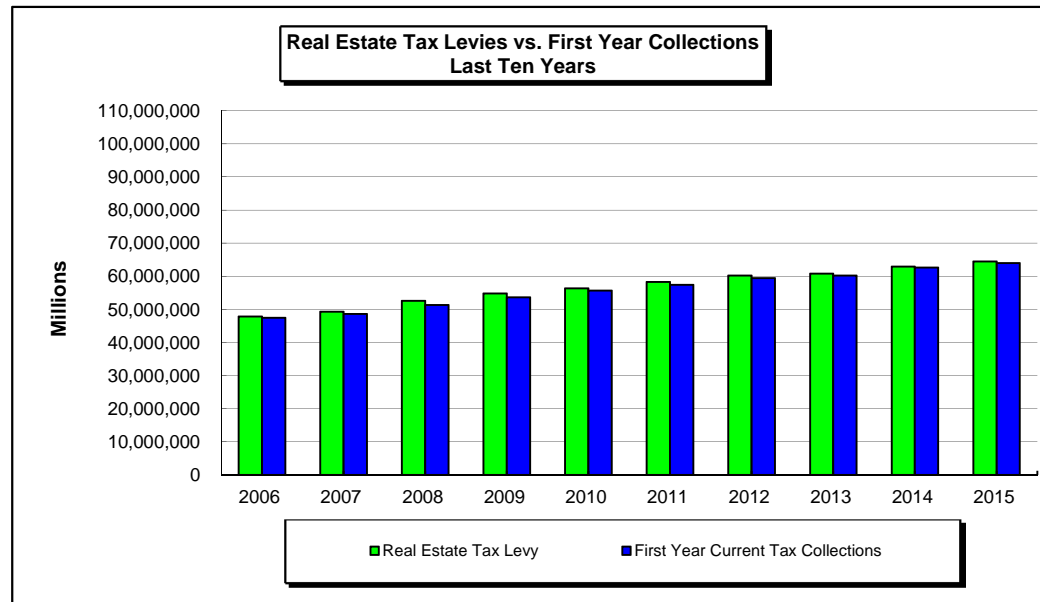
Name	Property Type	2015			2006		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
AIMCO (Royal Crest)	Apartments	\$ 53,769,990	1	1.30%	\$ -		0.00%
National Grid	Utility	\$ 44,382,060	2	1.08%	\$ -		0.00%
Edgewood Retirement Community	Congregate Care/Nursing Home	\$ 37,808,040	3	0.92%	\$ 27,110,000	3	0.60%
Mansur Investment	Office/Manufacturing	\$ 15,000,000	4	0.36%	\$ -		0.00%
Delta/Delta Realty Trust	Shopping Mall	\$ 19,754,350	5	0.48%	\$ 15,640,700	6	0.35%
Ozzy Properties	Office	\$ 15,779,400	6	0.38%	\$ -		0.00%
Wood Ridge Homes	Co-op Housing	\$ 13,249,140	7	0.32%	\$ 10,881,500	7	0.24%
RCG North Andover Mills	Office	\$ 12,841,500	8	0.31%	\$ -		0.00%
Eaglewood Properties	Retail	\$ 9,234,200	9	0.22%	\$ -		0.00%
North Andover 2004	Office	\$ 6,691,600	10	0.16%	\$ -		0.00%
NAM Partners Limited	Office/Manufacturing	\$ -		-	\$ 63,891,500	1	1.42%
T.J. Flatley Co.	Apartments	\$ -		-	\$ 60,137,800	2	1.34%
Lucent Technologies	Manufacturing	\$ -		-	\$ 25,207,800	4	0.56%
Mass Electric	Utility	\$ -		-	\$ 4,033,700	10	0.09%
Jefferson Equity Partners	Office Par	\$ -		-	\$ 19,836,900	5	0.44%
BF No, Andover Office Park	Office	\$ -		-	\$ 9,763,400	8	0.22%
D & L Andover Prop. LLC	Office Park	\$ -		-	\$ 9,294,300	9	0.21%
Totals		<u>\$228,510,280</u>		<u>5.54%</u>	<u>\$245,797,600</u>		<u>5.47%</u>

Source: Official Statement for Sale of Bonds

Property Tax Levies and Collections

Last Ten Years

Year		(2) Total Tax Levy	Less Abatements & Exemptions	(2) Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy
2006		\$ 48,400,403	\$ 590,643	\$ 47,809,760	\$ 47,500,514	99.35%	\$ 275,551	\$ 47,776,065	99.93%
2007	(1)	\$ 49,783,252	\$ 461,962	\$ 49,321,290	\$ 48,595,456	98.53%	\$ 629,858	\$ 49,225,314	99.81%
2008		\$ 52,961,163	\$ 353,952	\$ 52,607,211	\$ 51,348,979	97.61%	\$ 981,618	\$ 52,330,597	99.47%
2009		\$ 55,074,898	\$ 319,197	\$ 54,755,701	\$ 53,651,783	97.98%	\$ 676,050	\$ 54,327,833	99.22%
2010	(1)	\$ 56,715,432	\$ 371,669	\$ 56,343,763	\$ 55,671,800	98.81%	\$ 179,344	\$ 55,851,144	99.13%
2011		\$ 58,574,724	\$ 316,384	\$ 58,258,340	\$ 57,441,580	98.60%	\$ 368,453	\$ 57,810,033	99.23%
2012		\$ 60,626,359	\$ 459,973	\$ 60,166,386	\$ 59,454,694	98.82%	\$ 491,245	\$ 59,945,939	99.63%
2013	(1)	\$ 61,434,579	\$ 629,707	\$ 60,804,872	\$ 60,215,656	99.03%	\$ 288,613	\$ 60,504,269	99.51%
2014		\$ 63,441,828	\$ 564,134	\$ 62,877,693	\$ 62,596,596	99.55%	\$ 156,606	\$ 62,753,202	99.80%
2015		\$ 65,031,997	\$ 530,315	\$ 64,501,682	\$ 63,940,660	99.13%	\$ -	\$ 63,940,660	99.13%



(1) Revaluation year.

(2) Includes tax liens.

Source: Assessor's Department, Town of North Andover

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Years

Year	U. S. Census Population	Personal Income	Assessed Value	Governmental Activities					
				General Obligation Bonds	Less Amounts Available	Net General Obligation Bonds	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2006	27,390	\$ 1,080,264,953	\$ 4,240,774,030	\$ 57,036,769	\$ -	\$ 57,036,769	\$ 2,082	5.28%	1.34%
2007	27,412	\$ 1,102,755,288	\$ 4,651,633,109	\$ 50,577,395	\$ -	\$ 50,577,395	\$ 1,845	4.59%	1.09%
2008	27,566	\$ 1,131,129,553	\$ 4,534,465,467	\$ 38,148,855	\$ -	\$ 38,148,855	\$ 1,384	3.37%	0.84%
2009	27,753	\$ 1,161,578,875	\$ 4,455,123,530	\$ 38,908,287	\$ -	\$ 38,908,287	\$ 1,402	3.35%	0.87%
2010	28,352	\$ 1,210,382,515	\$ 4,233,059,057	\$ 37,731,038	\$ -	\$ 37,731,038	\$ 1,331	3.12%	0.89%
2011	28,352	\$ 1,234,590,165	\$ 4,121,551,610	\$ 36,521,710	\$ -	\$ 36,521,710	\$ 1,288	2.96%	0.89%
2012	28,352	\$ 1,259,281,969	\$ 4,145,028,195	\$ 33,781,935	\$ -	\$ 33,781,935	\$ 1,192	2.68%	0.81%
2013	28,352	\$ 1,284,467,608	\$ 4,269,634,302	\$ 29,488,804	\$ -	\$ 29,488,804	\$ 1,040	2.30%	0.69%
2014	28,422	\$ 1,313,391,687	\$ 4,208,289,380	\$ 32,506,999	\$ -	\$ 32,506,999	\$ 1,144	2.48%	0.77%
2015	28,352	\$ 1,339,659,521	\$ 4,294,276,090	\$ 36,532,492	\$ -	\$ 36,532,492	\$ 1,289	2.73%	0.85%

Year	Business-type Activities (1)		Total Primary Government			
	General Obligation Bonds	Capital Leases	Total Net Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2006	\$ 30,370,700	\$ -	\$ 87,407,469	\$ 3,191	8.09%	2.06%
2007	\$ 30,818,817	\$ -	\$ 81,396,212	\$ 2,969	7.38%	1.75%
2008	\$ 35,338,363	\$ -	\$ 73,487,218	\$ 2,666	6.50%	1.62%
2009	\$ 32,424,871	\$ -	\$ 71,333,158	\$ 2,570	6.14%	1.60%
2010	\$ 30,944,105	\$ -	\$ 68,675,143	\$ 2,422	5.67%	1.62%
2011	\$ 27,115,434	\$ -	\$ 63,637,144	\$ 2,245	5.15%	1.54%
2012	\$ 24,743,238	\$ -	\$ 58,525,173	\$ 2,064	4.65%	1.41%
2013	\$ 23,085,993	\$ -	\$ 52,574,797	\$ 1,854	4.09%	1.23%
2014	\$ 19,010,294	\$ -	\$ 51,517,293	\$ 1,813	3.92%	1.22%
2015	\$ 15,807,234	\$ -	\$ 52,339,726	\$ 1,846	3.91%	1.22%

(1) Water and Sewer Funds

Source: Audited Financial Statements, U.S. Census, Division of Local Services

Direct and Overlapping Governmental Activities Debt

As of June 30, 2015

<u>Town of North Andover, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Greater Lawrence Regional Vocational Technical School District...	\$ 20,905,000	0.8%	\$ 259,779
Greater Lawrence Sanitary District.....	30,411,154	6.4%	<u>1,655,000</u>
Subtotal, overlapping debt.....			<u>1,914,779</u>
Town direct debt.....			<u>36,532,492</u>
Total direct and overlapping debt.....			<u>\$ 38,447,271</u>

Methodologies used to calculate overlapping debt:

Greater Lawrence Regional Vocational Technical School District:

The Town's overlap is based on pupil enrollment.

Greater Lawrence Sanitary District:

The Town's overlap is based on the percent of wastewater received by the District.

Source: Official Statement for Sale of Bonds

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the taxpayers of the town. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Computation of Legal Debt Margin

Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Equalized Valuation.....	\$ 4,648,968,500	\$ 4,648,968,500	\$ 4,648,968,500	\$ 4,913,038,200	\$ 4,913,038,200	\$ 4,460,344,100	\$ 4,460,344,100	\$ 4,446,186,000	\$ 4,446,186,000	\$ 4,337,534,000
Debt Limit -5% of Equalized Valuation.....	\$ 232,448,425	\$ 232,448,425	\$ 232,448,425	\$ 245,651,910	\$ 245,651,910	\$ 223,017,205	\$ 223,017,205	\$ 222,309,300	\$ 222,309,300	\$ 216,876,700
Less:										
Outstanding debt applicable to limit.....	52,713,614	48,332,581	44,809,719	45,804,952	44,477,844	45,590,789	35,050,079	30,545,849	33,116,011	36,746,119
Authorized and unissued debt.....	13,747,450	7,993,738	12,765,223	10,111,025	3,391,000	6,688,916	1,970,568	182,659	1,124,027	931,008
Legal debt margin.....	<u>\$ 165,987,361</u>	<u>\$ 176,122,106</u>	<u>\$ 174,873,483</u>	<u>\$ 189,735,933</u>	<u>\$ 197,783,066</u>	<u>\$ 170,737,500</u>	<u>\$ 185,996,558</u>	<u>\$ 191,580,792</u>	<u>\$ 188,069,262</u>	<u>\$ 179,199,573</u>
Total debt applicable to the limit as a percentage of debt limit.....	28.59%	24.23%	24.77%	22.76%	19.49%	23.44%	16.60%	13.82%	15.40%	17.37%

Source: Official Statement for Sale of Bonds

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	Unemployment Rate
2006	27,390	\$ 1,080,264,953	\$ 39,440	37	4.1%
2007	27,412	\$ 1,102,755,288	\$ 40,229	37	3.9%
2008	27,566	\$ 1,131,129,553	\$ 41,034	37	4.6%
2009	27,753	\$ 1,161,578,875	\$ 41,854	37	7.7%
2010	28,352	\$ 1,210,382,515	\$ 42,691	37	7.3%
2011	28,352	\$ 1,234,590,165	\$ 43,545	37	5.9%
2012	28,352	\$ 1,259,281,969	\$ 44,416	37	5.2%
2013	28,352	\$ 1,284,467,608	\$ 45,304	37	5.2%
2014	28,422	\$ 1,313,380,620	\$ 46,210	37	5.7%
2015	28,422	\$ 1,339,670,970	\$ 47,135	37	4.6%

Source: Commonwealth of Mass, Division of Local Services, Executive Office of Labor and Workforce Development. Median age is based on most recent census data.

Principal Employers (excluding Town)

Current Year and Nine Years Ago

Employer	Nature of Business	2015			2006		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Merrimack College	Higher Education	675	1	2%	450	4	2%
Demoulas Supermarkets, Inc.	Grocery Store	400	2	1%	230	9	1%
Converse, Inc	Shoe Manufacturing	350	3	1%	n/a	n/a	n/a
Edgewood Retirement Community	Healthcare	345	4	1%	n/a	n/a	n/a
Watts Regulators	Manufacturing	250	5	1%	n/a	n/a	n/a
National Grid (formerly Mass Electric)	Utility Services	225	6	1%	300	6	1%
Lawrence Eagle Tribune	Newspaper	205	7	1%	375	5	1%
Brooks School	Education	185	8	1%	n/a	n/a	n/a
Genesis Healthcare	Healthcare	170	9	1%	n/a	n/a	n/a
Stop & Shop	Grocery Store	150	10	1%	n/a	n/a	n/a
Lucent Technologies	Manufacturing	n/a	n/a	n/a	500	3	2%
Borden Chemical	Chemical Manufacturing	n/a	n/a	n/a	600	1	2%
A.E.G Schneider	Electronic Controls	n/a	n/a	n/a	540	2	2%
Sweetheart Plastics	Plastics Manufacturing	n/a	n/a	n/a	300	7	1%
Morton International Inc	Manufacturing	n/a	n/a	n/a	250	8	1%
Solelectron Corp	Contractor	n/a	n/a	n/a	200	10	1%

Source: Massachusetts Department of Workforce Development

Full-Time Equivalent Town Employees

Last Ten Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Full-Time Equivalents</u>										
Town.....	26	25	25	25	26	26	27	26	26	27
Public Safety.....	113	112	113	113	114	114	112	112	112	113
School.....	441	441	442	446	449	451	443	479	479	479
Public works.....	25	24	24	23	23	23	23	23	23	23
Community services.....	13	11	13	13	14	14	14	14	14	15
Support Services	2	3	4	4	4	8	9	9	9	10
Library.....	<u>12</u>	<u>11</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>14</u>
Total	<u>631</u>	<u>627</u>	<u>634</u>	<u>637</u>	<u>641</u>	<u>647</u>	<u>639</u>	<u>675</u>	<u>675</u>	<u>681</u>

Source: Annual Budget Report, School Dept

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Population.....	27,390	27,412	27,566	27,753	28,352	28,352	28,352	28,352	28,422	28,510
Registered Voters, Annual Town Election.....	17,128	16,400	16,787	18,059	18,169	17,256	18,307	18,598	18,247	17,050
Town Clerk										
Births.....	287	304	310	291	285	285	263	289	289	280
Marriages.....	110	84	87	78	95	84	74	86	115	83
Deaths.....	257	278	310	268	296	279	183	251	250	298
Dogs licensed.....	2,033	2,348	2,308	2,396	2,314	2,361	2,110	2,390	2,132	2,101
Business Certificates.....	101	78	89	110	87	91	84	92	87	95
New Voter Registrations.....	884	785	1,746	612	1,099	866	1,523	1,450	797	1,251
Passport Applications.....	1,191	755	783	786	773	745	701	920	885	875
Assessors										
Single Family.....	n/a	n/a	n/a	6,164	6,173	6,181	6,198	6,217	6,239	6,258
Condominiums.....	n/a	n/a	n/a	1,898	1,915	1,929	1,951	1,985	2,028	2,059
Misc Rec.....	n/a	n/a	n/a	27	28	30	31	30	29	29
Two Family.....	n/a	n/a	n/a	426	423	420	419	421	417	414
Three Family.....	n/a	n/a	n/a	43	43	44	44	43	44	45
Four-eight Family.....	n/a	n/a	n/a	48	48	50	50	51	52	52
Vacant land.....	n/a	n/a	n/a	512	492	468	489	462	441	432
Residential/Commercial.....	n/a	n/a	n/a	37	38	36	37	36	35	34
Commerical buildings and land.....	n/a	n/a	n/a	435	490	491	492	491	494	508
Industrial buildings and land.....	n/a	n/a	n/a	82	84	84	84	8	83	83
Personal Property Accounts.....	n/a	n/a	n/a	844	818	847	882	906	881	902
Chapter 61 - Forestry Property.....	n/a	n/a	n/a	7	7	7	7	7	7	7
Chapter 61A - Farm Property.....	n/a	n/a	n/a	143	145	139	137	137	137	137
Chapter 61B - Recreational Land.....	n/a	n/a	n/a	9	9	8	7	7	7	7
Exempt buildings and land.....	n/a	n/a	n/a	438	436	452	460	464	468	471
Public Utilities.....	n/a	n/a	n/a	4	4	4	4	4	4	4
Utilities valued by State.....	n/a	n/a	n/a	6	5	5	6	6	6	6
Public Safety										
Police										
Complaints Issued.....	-	153	127	140	110	86	434	589	729	654
Arrests.....	490	410	400	406	409	396	285	364	312	291
Summons/Hearings.....	381	385	132	132	368	286	149	214	303	329
Citations.....	4,956	5,004	4,399	3,742	3,748	2,953	2,938	3,646	2,707	2,278
Parking tickets issued.....	1,091	821	920	680	624	645	548	484	496	504
Total number of animal complaints.....	195	214	253	271	295	297	383	489	623	467
Fire										
Incidents										
Fire and Rescue.....	2,335	2,247	1,564	1,612	3,986	1,358	1,515	1,396	1,283	1,383
Ambulance Calls.....	2,756	2,624	2,885	2,650	2,616	2,444	2,663	2,745	2,379	2,500

(continued)

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Permits/certificates issued										
Smoke Detectors.....	520	501	385	406	327	401	322	444	613	543
Carbon Monoxide Detectors.....	-	392	349	377	314	377	295	412	587	520
Fireworks Display Permits.....	1	1	1	1	1	1	1	1	1	1
Liquid Gas Storage Permits.....	148	40	40	28	38	29	19	27	65	67
Open Air Burning Permits.....	-	-	-	-	-	-	-	-	345	321
Oil Burner Install Permits.....	51	40	35	46	70	45	26	47	26	20
Sprinkler Inspections.....	16	81	49	23	13	27	23	32	35	30
Underground Tank Installation.....	7	7	11	6	22	26	8	6	27	21
Underground Tank Removals.....	8	3	4	13	6	7	8	2	5	-
Building Department										
Permits issued.....	2,744	2,381	2,456	2,214	2,470	2,375	2,774	3,080	3,207	3,583
Education										
Public school enrollment.....	4,671	4,624	4,546	4,604	4,614	4,638	4,766	4,783	4,801	4,839
Human Services										
Planning										
Plan reviews.....	16	13	12	8	2	5	27	33	18	19
Board of Health										
Inspections										
Food Est. (related permits& reviews)	147	192	198	198	179	288	225	234	352	319
Septic (all related reviews/permits/inspections).....	135	67	53	30	49	46	22	140	202	115
OFFA Haulers/Trash Haulers & Placards.....	159	133	131	257	237	250	256	241	273	263
Commercial Permits	248	264	246	256	254	262	266	241	295	250
Professional Permits	63	70	75	75	83	82	89	53	101	66
Council on Aging										
Home delivered meals served.....	13,999	17,605	18,527	19,685	15,106	15,541	18,369	17,519	16,230	17,001
Outreach Case Management	2,429	4,510	3,062	4,243	4,532	8,203	8,895	8,094	9,981	9,828
Community Education	1,861	3,619	3,698	3,900	7,078	6,708	7,682	8,635	8,417	8,458
Recreation	10,913	10,781	12,983	8,013	9,961	11,221	21,796	13,414	18,005	20,524
Transportation	1,008	1,174	2,242	3,379	4,234	4,285	4,598	6,822	6,377	6,472
Libraries										
Program attendance.....	2,571	2,225	3,304	8,060	3,867	4,489	4,122	4,938	6,631	8,358
Number of Library Card Holders	26,483	27,384	28,155	29,883	16,465	16,779	17,604	19,094	20,143	20,418
Circulation	220,477	206,606	201,961	213,598	212,970	213,517	206,362	185,419	176,385	193,799
PC & Internet Use.....	389	698	804	896	914	1,221	1,295	1,273	1,281	1,186
Reference Questions.....	20,384	23,380	24,549	26,758	28,069	28,503	29,318	29,081	30,744	29,848
Inter-Library Loans	46,978	53,021	59,939	49,302	54,073	53,367	56,569	57,952	60,559	59,416

(continued)

Operating Indicators by Function/Program

Last Ten Years

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Youth & Recreation Services										
Memberships				611	646	656	694	709	691	684
Summer Programs				75	792	814	854	798	832	876
Overall Services				n/a	2,973	2,961	3,098	3,179	3,215	3,263
Sewer										
Service connections.....	99	45	32	31	46	58	14	54	43	34
Water										
Daily consumption (in million gallons).....	2.9698	2.8126	2.9669	2.7371	2.8675	3.0120	2.6328	2.2101	3.0600	3.3100

Source: Various Town Departments and Annual Town Report

(concluded)

N/A: Information not available

Capital Asset Statistics by Function/Program

Last Ten Years

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government										
Number of Buildings.....	13	13	13	13	13	13	13	13	13	13
Police										
Number of Stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of Stations.....	2	2	2	2	2	2	2	2	2	2
Education										
School administration building.....	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1
Number of elementary schools.....	5	5	5	5	5	5	5	5	5	5
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Public Works										
Water mains (miles).....	147	147	147	148	148	148	148	148	148	148
Fire hydrants.....	1,475	1,477	1,479	1,487	1,489	1,511	1,515	1,515	1,515	1,515
Sanitary sewers (miles).....	87	88	88	89	89	90	90	90	90	90
Storm sewers (miles).....	99	99	99	99	99	99	99	99	99	99
Culture and Recreation										
Playgrounds.....	17	17	17	17	17	17	17	17	17	17
Parks.....	2	2	2	2	2	2	2	2	2	2
Playgrounds - Acreage.....	90	90	90	90	90	90	90	90	90	90
Parks - Acreage.....	11	11	11	11	11	11	11	11	11	11
Public beaches.....	1	1	1	1	1	1	1	1	1	1
Ball fields.....	39	39	39	39	39	39	39	39	39	39
Tennis courts.....	6	6	6	6	6	6	6	6	6	6

Source: Various Town Departments

N/A: Information not available

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Additional Information

ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGETARY BASIS - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2015

	Water Fund				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
<u>OPERATING REVENUES:</u>					
Charges for services	\$ 4,958,500	\$ 4,958,500	\$ 5,433,859	\$ -	\$ 475,359
Penalties and interest.....	22,100	22,100	24,030	-	1,930
TOTAL OPERATING REVENUES	4,980,600	4,980,600	5,457,889	-	477,289
<u>OPERATING EXPENSES:</u>					
Cost of service and administration.....	2,542,642	2,542,642	2,264,637	37,888	240,117
GLDS assessment.....	-	-	-	-	-
TOTAL OPERATING EXPENSES	2,542,642	2,542,642	2,264,637	37,888	240,117
OPERATING INCOME (LOSS).....	2,437,958	2,437,958	3,193,252	(37,888)	717,406
<u>NONOPERATING REVENUES (EXPENSES):</u>					
Investment income.....	12,000	12,000	15,705	-	3,705
Interest expense.....	(240,943)	(240,943)	(235,853)	-	5,090
Debt service - principal.....	(1,465,450)	(1,465,450)	(1,464,698)	-	752
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(1,694,393)	(1,694,393)	(1,684,846)	-	9,547
INCOME (LOSS) BEFORE TRANSFERS.....	743,565	743,565	1,508,406	(37,888)	726,953
<u>TRANSFERS:</u>					
Transfers out.....	(1,500,710)	(1,500,710)	(1,500,710)	-	-
TOTAL OPERATING TRANSFERS.....	(1,500,710)	(1,500,710)	(1,500,710)	-	-
CHANGE IN NET POSITION.....	(757,145)	(757,145)	7,696	(37,888)	726,953
NET POSITION AT BEGINNING OF YEAR.....	2,820,122	2,820,122	2,820,122	-	-
NET POSITION AT END OF YEAR.....	\$ 2,062,977	\$ 2,062,977	\$ 2,827,818	\$ (37,888)	\$ 726,953

Sewer Fund					Osgood Hill Fund				
Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
\$ 4,688,187	\$ 4,688,187	\$ 5,053,707	\$ -	\$ 365,520	\$ 292,720	\$ 292,720	\$ 482,778	\$ -	\$ 190,058
23,264	23,264	26,979	-	3,715	-	-	-	-	-
4,711,451	4,711,451	5,080,686	-	369,235	292,720	292,720	482,778	-	190,058
714,064	714,064	643,035	13,111	57,918	245,749	245,749	303,623	-	(57,874)
1,655,000	1,655,000	1,543,296	-	111,704	-	-	-	-	-
2,369,064	2,369,064	2,186,331	13,111	169,622	245,749	245,749	303,623	-	(57,874)
2,342,387	2,342,387	2,894,355	(13,111)	538,857	46,971	46,971	179,155	-	132,184
7,000	7,000	11,853	-	4,853	-	-	1,017	-	1,017
(281,013)	(281,013)	(267,604)	-	13,409	-	-	-	-	-
(1,675,925)	(1,675,925)	(1,675,925)	-	-	-	-	-	-	-
(1,949,938)	(1,949,938)	(1,931,676)	-	18,262	-	-	1,017	-	1,017
392,449	392,449	962,679	(13,111)	557,119	46,971	46,971	180,172	-	133,201
(423,863)	(423,863)	(423,863)	-	-	(47,622)	(47,622)	(47,622)	-	-
(423,863)	(423,863)	(423,863)	-	-	(47,622)	(47,622)	(47,622)	-	-
(31,414)	(31,414)	538,816	(13,111)	557,119	(651)	(651)	132,550	-	133,201
1,767,239	1,767,239	1,767,239	-	-	105,006	105,006	105,006	-	-
\$ 1,735,825	\$ 1,735,825	\$ 2,306,055	\$ (13,111)	\$ 557,119	\$ 104,355	\$ 104,355	\$ 237,556	\$ -	\$ 133,201

TOWN OF NORTH ANDOVER, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2015

Powers & Sullivan, LLC

Certified Public Accountants



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To the Honorable Board of Selectmen
Town of North Andover, Massachusetts:

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of North Andover, Massachusetts' (the "Town") as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and enhancing operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions concerning those matters.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Town personnel, and will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management of the Town of North Andover, Massachusetts, and is not intended to be and should not be used by anyone other than these specified parties.

The Town of North Andover's written response to the matters identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

November 30, 2015

TOWN OF NORTH ANDOVER, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2015

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Integration of Accounts Receivable Software

Comment

We previously indicated that the Town should consider eliminating the use of a stand-alone accounts receivable system and shift toward an integrated system. An integrated system would provide greater efficiencies as well as real-time, up-to-date data for important management decisions. We recommended that the Town perform a review of the current accounting system and consider implementing an integrated system.

Current Status

The Town began the process of implementing a new accounting system as of July 1, 2015. The implementation is anticipated to be completed by December of 2016 and will include integrated modules for general ledger accounting and reporting, payroll, permits, taxes, tax title and utility billing.

Management of Student Activity Funds

Comment

Massachusetts General Law (MGL), Chapter 71, Section 47 requires that school districts maintain student activity funds in accordance with guidelines issued by the Department of Elementary and Secondary Education (DESE).

In 2014 the DESE published a comprehensive manual titled Agreed-Upon Procedures and Audit Guidelines – Student Activity Funds. Within each section of the manual is the DESE Policy Guidance, the MGL Requirement and DESE's explanation of what type of policies, internal controls and audit procedures should be implemented in order to be in compliance with the law.

These guidelines can be found on the DESE website at the following address:

<http://www.doe.mass.edu/finance/accounting>

One of the MGL requirements is that an annual audit of the student activities be completed and that at least once every three years the procedures should be performed by an outside independent auditor if student activity balances exceed \$25,000. The DESE manual provides guidance on the acceptable methods and timing of the audit.

Current Status

The School Department has contracted to have an independent audit of the student activity funds performed for the period ending June 30, 2015. The audit is tentatively scheduled for January 2016.

Police Detail and Ambulance Receivables

Comment

We previously indicated that the Town did not record the monthly commitment, collection, and abatement of police detail and ambulance activity against the corresponding receivable balances maintained on the general ledger. An adjustment had historically been recorded at year-end to balance with the police department and ambulance billing agent's records. Recording the police detail and ambulance activity against the receivable account and reconciling the balance on a monthly basis provides a better check and balance than what has historically existed.

Current Status

The Town has implemented procedures to record and reconcile both police detail activity and the ambulance activity on a monthly basis.

Implement a Point-of-Sale (POS) System at Osgood Estates

Comment

We believe that the Town can enhance internal controls over the receipt collection process at Osgood Estates by utilizing a point of sale (POS) system similar to the systems utilized by private wedding venues, restaurants, and other organizations. A POS system would allow the Osgood Estates to collect, record, and monitor both cash and credit card receipts during hosted events in real time.

A POS system can also enhance control over different areas of event operations such as inventory control, event scheduling, reporting, and analysis. For example, a POS system would enable tracking of inventory quantities on-hand, enable cashiers to process transactions quickly and efficiently, allow managers to maintain tight controls over transactions by providing a structured reconciliation process, as well as generate sales reports by register, batch, and receipt number.

Recommendation

We recommend that the Town implement a point-of-sale (POS) system at the Osgood Estates in an effort to improve controls over the receipt collection process, as well as to further enhance the Estate's overall control environment.

We also recommend that the Osgood Estates improve the current level of controls over liquor inventory. Through either the utilization of a POS system or another process the Town should implement procedures to adequately track the balance of liquor inventory on-hand, as well as perform monthly spot checks of actual inventory on-hand to the underlying records.

Government Accounting Standards Board (GASB) Statements

Comment

The GASB has issued new pronouncements that will significantly affect the accounting and reporting requirements for Other Postemployment Benefits (OPEB). These new standards will start to phase in during 2017 and will substantially impact the Town's financial statements and will also affect the requirements for accumulating the necessary data to meet the reporting requirements.

The new standards that have been issued and their effective dates are as follows:

- The GASB issued Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, which is required to be implemented in 2017.
- The GASB issued Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is required to be implemented in 2018.

See below for a brief summary of these new standards:

- GASB #74 and #75 will substantially change the reporting for other postemployment benefit liabilities and expenses. Changes in the other postemployment benefits liability will be immediately recognized as other postemployment benefits expense or reported as deferred outflows/inflows of resources depending on the nature of the changes. Substantial changes to methods and assumptions used to determine actuarial information for GAAP reporting purposes will be required. Employers will report in their financial statements a net other postemployment benefit liability (asset) determined annually as of the measurement date. *Net other postemployment benefit liability (asset)* equals the total other postemployment benefit liability for the plan net of the plan net position. The other postemployment benefit liability is the actuarial present value of projected benefits attributed to past service. The plan net position is the accumulated plan assets net of any financial statement liabilities of the plan.

The Town should expect to record significant OPEB liabilities in the future. While these GASB's do not go into effect until 2017 and 2018, we wanted to make the Town aware of the impact that these new standards will have on financial statement reporting and disclosures.